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# FIFTY SHADES OF DAY - THE VARIED AND INCOMPLETE MEANINGS OF MARKETING CAPABILITIES

by

Gregory J. Tanguay

DISSERTATION

Submitted to the Lazaridis School of Business & Economics

in partial fulfillment of the requirements for

Doctor of Philosophy in Management – Marketing

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## ABSTRACT

Capabilities theories have been the subject of robust research efforts since being bridged into the Marketing domain from the organizational strategy literature approximately 25 years ago. While much empirical work has been performed to establish and clarify the relationships between marketing capabilities and firm performance, little work has been done in the ensuing period to describe and clarify the construct itself in the period ensuing its introduction to the marketing domain.

This has led to a large yet unchanging body of research founded upon a relatively vague construct. Marketing capabilities theory offers the domain an interesting means to explain marketing's contribution to firm performance. It potentially accounts for how firms use knowledge, skill, routine and tangible assets in unique combinations to the end of superior performance. Descriptions of marketing capabilities, however, do not distinguish whether the construct reflects managerial intention or de facto firm action. Nor are the immediate ends of marketing capabilities, their relationship to market orientation, and their potential negative characterizations considered. Without a clear description of the marketing capabilities construct itself, this body of research rests on a tenuous foundation.

This monograph uses a multi-method approach to refine and clarify the description of marketing capabilities. Scientometric and corpus linguistic methodologies are employed to identify definitional issues in the description of marketing capabilities. A "big data" corpus of nearly 4.5 million words and a bibliometric data set of over 6,000 citations are used to explore the how the phrase 'marketing capabilities' is employed within the marketing and management research

domains. This data is supplemented by an additional analysis of 172 survey-type measures extracted from 597 papers about marketing capabilities published in marketing domain journals.

The data analysis results in several suggestions for the amelioration of the marketing capabilities construct. This includes two-dimensional conceptualization that is derived from the added analysis of related constructs from evolutionary economics that demands specified intermediate ends and eliminates direct competitive comparison. In addition, a new and related construct - marketing incapability - is put forward. Also, a critical analysis of the role of market orientation in the marketing capabilities literature is provided. The conflicting interpretations of market orientation are analyzed in order to provide recommendations for how to situate this venerable construct within the marketing capabilities literature in the future.

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## LIST OF ABBREVIATIONS

MO	Market Orientation
CMDO	“The Capabilities of Market-Driven Organizations”
CL	Corpus Linguistics
RBV	Resource-Based View

## GLOSSARY

**Concordance:** a list of passages containing the focal word token or ngram as it is used in context throughout the corpus. Concordances are typically formed using a fixed number of characters to the right and left of the focal term. In this monograph, fifty characters to the right and left is used, unless stated otherwise.

**Collocation:** a technique that counts the frequency with which a word token occurs in proximity to another word token or ngram. This monograph typically searches for collocations of word tokens within five word tokens to the right and left of the focal term, unless stated otherwise.

**Ngram:** a combination of word tokens. A prefix typically replaces N to identify the number of tokens that constitute the focal term. For example, a two-word token Ngram is called a bigram, a three-word token Ngram is a trigram and so on.

**Part-of-Speech Tagging (POS):** a technique that assigns word tokens to a grammatical category. That is, based on the context in use for a word token it is assigned as a noun, verb, adjective, adverb, etc.

**Word Token:** the base unit of analysis of the corpus, as identified by the corpus software in use. Word tokens are created by identifying groups of characters in the text that are not separated by spaces. Consequently, word tokens are usually single words but can also be hyphenated phrases or single characters e.g. ‘part-of-speech’ or ‘A’.

# 1. INTRODUCTION

"The beginning of wisdom is the definition of terms."

- Socrates

To know exactly what is meant when the term ‘marketing capabilities’ appears in the context of scholarly management discussion would, for me, provide meaning to the large body of research done in this area over the past 20 years. However, my research of the literature to this day identifies only vague and marginal descriptions of what marketing capabilities are and, consequently, undermines my appreciation for findings that are based on this construct. The result of my dim and vague understanding is research that aims to improve the description and understanding of marketing capabilities.

Interestingly, extant descriptions of this construct include attributions such as ‘deeply embedded’, ‘idiosyncratic’, and ‘hard to identify’ (Day 1994; Day 2000; Morgan 2012). By its very nature, the meaning of the marketing capabilities construct appears difficult to capture. Indeed capabilities have been likened to icebergs in a foggy Arctic sea, “not easily recognized as different from several icebergs nearby” (Dosi 2002).

Marketing capabilities are further confused by the proliferation of notionally similar terms in the literature. For example, Barney (1991) counts capabilities as resources when describing the resource-based view of the firm (“firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc.”, p. 101). On the other hand, Amit and Schoemaker (1993) say “capabilities...refer to a firm's capacity to deploy resources, usually in combination, using organizational processes, to effect a desired end” (p. 35). Thus, in one case

capabilities are lumped together with other valuable firm properties. In the other, capabilities are distinguished as those things that seem to bring more inert firm holdings to life via thoughtful use of them in various configurations and sequences. If we add to this a fleet of like-sounding terms like marketing competences and market-based capabilities, a robust and distinct description of marketing capabilities is difficult to identify.

This is, however, not a reason to let marketing capabilities remain imprecisely defined. Good social science research requires accurate specification of constructs. Anything less sabotages the construct's ability to help build and test theory. MacKenzie (2003) cites three consequences of poor construct definition: 1) it is difficult to develop measures that faithfully represent the construct's domain, 2) it is difficult to correctly specify how the construct should relate to its measures, leading to model mis-specification and, 3) inadequate construct definition undermines the credibility of hypotheses under study.

While a solid definitional delineation of marketing capabilities has been elusive, the construct has enormous face validity. As a former manager, the notions that resources are used in combinations that are idiosyncratic to the firm, and use processes which are deeply embedded in it, correspond to my own experiences in organizational life. In addition, the idea that marketing capabilities may lead to competitive advantage is consistent with the efforts I made to optimize processes and leverage resource use. Though vague, the descriptions of marketing capabilities nevertheless resonate with my experience. I see value in refining its description because I believe its precise capture can help us to better understand organizational and marketing strategy.

To improve the construct description, I employ analytical methods that offer alternate views of the body of literature on marketing capabilities. The many scholars who have researched and

published on marketing capabilities have thoughtfully examined the concepts related to it and I therefore assume that the papers that result contain the authors' construct interpretations. While these interpretations are typically provided as literal, definitional statements about the construct, there are also implicit descriptions of constructs that arise from the use of language. The frequent choice or particular absence of words as well as their use in relation to each other, can convey meaning beyond explicit definitions. For example, the frequent use of the terms "fight", "battle", and "war" in conjunction with "cancer" can modify the conceptualization of this disease from illness to violent, militaristic event (Demmen et al. 2015). The implications of these word choices are sometimes not obvious in a conventional reading of the literature. With this in mind, I turn to scientometric and linguistic research methods to gain new perspectives on, and insight into, the description of marketing capabilities. Using this alternate methodological lens allows me to uncover attributions made about marketing capabilities that might otherwise go unnoticed. The methods surface patterns and inferences that may be obscured when reading texts directly. An exploration of a wider range of text than may be possible for analysis by a direct reader is therefore permitted.

This monograph focuses on the research on marketing capabilities during the 20+ years following the publication of Day's seminal work, "The Capabilities of Market-Driven Organizations" (CMDO). In it, Day (1994) described organizational capabilities theory and linked it to market orientation (MO) and firm performance. In so doing, the author triggered a large amount of research on capabilities in marketing, effectively bridging capabilities theory into the domain.

The systematic analysis of the marketing capabilities literature described herein provides several contributions to theory and research development. First, I provide a revised conceptualization of



marketing capabilities that describes it as a two-dimensional construct. Second, refinement of the construct identifies the need to describe the intermediate ends of marketing capabilities and leads to the proposition of a related, necessary construct: marketing incapability. Third, I shine light on both the role of the manager and the firm's environment, improving both conceptualization and measurement of marketing capabilities. Fourth, the distinction between marketing capabilities and MO is clarified and propositions for a new measurement standard for MO are offered.

The presentation of research proceeds as follows: I begin with a review the marketing capabilities literature, followed by a description of the study design, including methods; data sampling and analysis. Chapter 4 describes initial findings, i.e. the immutable structure of the research area, based on the information that emerges from the various data sources and methods I employ. Chapter 5 then explores the resemblance of two related constructs: marketing capabilities and routines, revealing the dual nature of the former. Chapter 6 surfaces contrasting perspectives on the role of the manager in the literature, highlighting gaps in describing and measuring marketing capabilities as they relate to competitors and the firm's environment. Chapter 7 describes a predominant positive bias in the marketing capabilities literature. This tendency to frame marketing capabilities as a positive driver of firm performance provokes contrarian ideas and leads to the concept of marketing incapability. Chapter 8 then discusses the similarities between MO and marketing capabilities and the necessary consequences for future research on each construct. Finally, Chapter 9 provides a summary of contributions and discussions of future research, limitations, and managerial implications.

## 2. LITERATURE REVIEW

The idea of marketing capabilities is derived from organizational capabilities, so it is useful to begin with a review of this older, broader literature. The concept of organizational capabilities traces back to the 1950's and to both resource-related theories of the firm (Penrose 1959) and the idea of distinctive competences (Selznick 1957). Penrose asserts that although resources can be defined independent of their use, it is the service they render, when used by the specific firm, that is critical. This argument highlights the importance of skill and knowledge in using resources. It also suggests that resource combinations may matter more than the individual resources themselves. Meanwhile, Selznick establishes that 'distinctive competences' are "things that an organization does especially well in comparison to its competitors" (1957; p. 317). In contrast with Penrose, this places emphasis on the behaviours and activities that occur in the firm - the things it does - as opposed to its mere endowment of resources. It also frames competences as meaningful in direct relation to those of the firm's competitors.

Although the concepts of capability and competence appear in the literature from the late 1950's to the mid-1980's, growth in interest occurred in the early 1990's, perhaps spurred by the emergence of Wernerfelt's (1984) "A Resource-based View of the Firm." Citation activity reveals this surge in interest. Searches of the Web of Science™ citation database on the 'resource-based view', 'capabilities', and 'competences' up to 1994 reveal that most of the highly cited papers related to these concepts were published in the early 1990's (see Table 1), coinciding with Day's (1994) connection of capabilities to the marketing domain. As shown by Table 1, the

basic concepts of “capabilities” descriptions are well established at the time of its widespread introduction to the marketing domain.

Table 1 shows how organizational capabilities are described in each highly cited paper.

Descriptions of capabilities vary from paper to paper and the use of the terms 'competence' and 'capabilities' is interchangeable. This conceptual slippage is underscored by the appearance of some papers (cf. Amit and Schoemaker 1993, Mahoney and Pandian 1992, Leonard-Barton 1992) on more than one list of search terms. It is also consistent with the conflicting definitions and vague use of terminology that surface in reading both the organizational and marketing capabilities literature. Because the original authors of influential works often describe capabilities variously, the imprecision is magnified when those citing these papers proceed to weave capabilities, competences, and resource-based view (RBV) into the same theoretical fabric. For example, as seen in Table 1, Barney (1991) counts capabilities among the firm's resources. His rationale builds upon the RBV, asserting that: 1) resources include firm capabilities, and 2) resources that are valuable, rare, inimitable or non-substitutable are likely to lead to sustained competitive advantage for the firm (Barney 1991). In contrast, Amit and Schoemaker (1993) say capabilities are, instead, the firm's ability to deploy resources. In so doing, they distinguish capabilities from resources and proceed to mix in a number of additional characteristics: "capabilities, in contrast, refer to a firm's capacity to deploy resources, usually in combination, using organizational processes, to effect a desired end. They are information-based, tangible, or intangible processes that are firm-specific and developed over time through complex interactions among the firm's resources. They can abstractly be thought of as 'intermediate goods' generated by the firm to provide enhanced productivity of its resources, as well as strategic flexibility and protection for its final product or service." (Amit and Schoemaker, 1993, p. 35).

The vagaries created by the differing descriptions of Barney (1991) and Amit and Schoemaker (1993) illustrate the need to improve the specification of the marketing capabilities construct.

While top citations in the competence literature are also found in searches for capabilities (e.g. Mahoney & Pandian, 1992; Leonard-Barton, 1992), the competence literature stream is perpetuated most prominently by Prahalad and Hamel (1990). These authors effectively re-label distinctive competences as 'core competences' and link that construct to firm competitiveness. Core competences are "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies" (Prahalad and Hamel 1990, p.81) . Although the capabilities and competences literatures evolved in parallel, there is considerable overlap in their main ideas. That is, what matters is the ability to coordinate and combine the firm's available resources. Knowledge and skill are central to this coordination and combination. Also, both capabilities and competences are described as layered and complex, and are characterized by reoccurring bundles of activity. Capabilities emerge over time and are founded in recurrent patterns of action at the firm. That is, 'ad hoc' problem-solving does not represent a capability (Winter 2003). Similarly, "Core competence does not diminish with use...competences are enhanced as they are applied and shared" (Hamel and Prahalad 1990, p. 81). The similarity between 'capabilities' and 'competences' is another example of the murkiness of descriptions created in the literature. In any case, given these similarities and to avoid confusion, the term capabilities will be used exclusively when referring to the focal construct during the balance of this monograph.

**Table 1 - Search Results pre-1994, from Bus/Econ/Mgt. Journals in the Web of Science™ Top 500 (by Times Cited)**

<b>Search Terms</b>	<b>Year</b>	<b>Authors</b>	<b>Cites</b>	<b>Article Title</b>	<b>Comments</b>	<b>Capabilities Defined (Yes/No)</b>
Resource*	1931	Hotelling, H	1298	The economics of exhaustible resources		No
resource-base*	1954	Gordon, HS	1454	The economic theory of a common-property resource: the fishery		No
resource base*	1984	Wernerfelt, B	4473	A resource-based view of the firm	Uses the term “capabilities” but does not define.	No
	1991	Barney, J	9357	Firm resources and sustained competitive advantage	Capabilities are included among firm resources along with firm assets, organizational processes, firm attributes, information, knowledge, etc. (p. 101).	Yes
	1991	Conner, KR	802	A historical comparison of resource-based theory and five schools of thought within industrial-organization economics - do we have a new theory of the firm	Does not define or describe capabilities	No
	1991	Grant, RM	1632	The resource-based theory of competitive advantage -	The capabilities of a firm are what it can do as a result of teams of resources working together (p. 120).	Yes

				implications for strategy formulation	Says Snow and Hrebiniak examined capabilities but called them 'distinctive competencies' (p. 121). Capabilities are complex. Refers to Nelson and Winter's organizational routines i.e. capabilities are routines or a number of interacting routines (p. 122)	
	1991	March, JG	4355	Exploration and exploitation in organizational learning	Does not define capabilities. Does imply capability involves learning and effort and is thereby related to exploration.	No
	1992	Mahoney, JT Pandian, JR	722	The resource-based view within the conversation of strategic management	"The firm's capability lies upstream from the end-product- it resides in skills, capacities, and a dynamic resource fit which may find a variety of end uses" (p. 366). Uses distinctive competences and capabilities interchangeably. Distinguishes capability and resources per Penrose i.e. resources are bundles of potential service that can be defined independent of their use while capabilities are services of resources. They are functions, activities.	Yes
	1993	Amit, R Schoemaker, PJH	1797	Strategic assets and organizational rent	"Capabilities, in contrast [to Resources], refer to a firm's capacity to deploy Resources, usually in combination, using organizational processes, to effect a desired end.	Yes

					<p>They are information-based, tangible or intangible processes that are firm-specific and are developed over time through complex interactions among the firm's Resources.</p> <p>They can abstractly be thought of as 'intermediate goods' generated by the firm to provide enhanced productivity of its Resources, as well as strategic flexibility and protection for its final product or service.</p> <p>Unlike Resources, Capabilities are based on developing, carrying, and exchanging information through the firm's human capital.</p> <p>Itami (1987) refers to information-based Capabilities as 'invisible assets.' This author notes that some of the firm's invisible assets are not carried by its employees but rather depend on the perceptions of the firm's customer base (as brand names may do).</p> <p>Capabilities are often developed in functional areas (e.g., brand management in marketing) or by combining physical, human, and technological Resources at the corporate level. As a result, firms may build such corporate Capabilities as highly reliable service, repeated process or product innovations, manufacturing flexibility,</p>	
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					responsiveness to market trends, and short product development cycles.” (p. 35)	
	1993	Peteraf, MA	2179	The cornerstones of competitive advantage - a resource-based view	Does not define capabilities. Refers to core capabilities	No
Capabilit*	1992	Kogut, B Zander, U	3446	Knowledge of the firm, combinative capabilities, and the replication of technology	Capabilities are socially constructed and lie in the organizing principles and individual relationships at the firm. Introduce combinative capability, the use of acquired knowledge to generate new applications for the firm.	Yes
	1992	Leonard-Barton, D	1716	Core capabilities and core rigidities - a paradox in managing new product development	Asserts that core capabilities are also distinctive competences, core competencies, firm-specific competence, resource deployments, and invisible assets (p. 112). These are capabilities that are strategically important.  Notes core capabilities/distinctive competences definition from Teece, Pisano and Schuen (1990): "a set of differentiated skills, complementary assets, and routines that provide the basis for a firm's competitive capacities and sustainable advantage in a particular business" Author's definition is "the knowledge set that distinguishes and provides a competitive advantage" (p. 113)	Yes



	1992	Mahoney, JT Pandian, JR	722	The resource-based view within the conversation of strategic management	See above re Mahoney and Pandian (1992)	Yes
	1993	Amit, R Schoemaker, PJH	1795	Strategic assets and organizational rent	See above re Amit and Schoemaker (1993)	Yes
	1993	Levinthal, DA March, JG	1862	The myopia of learning	Do not define capabilities. Describe the traps of distinctive competences i.e. firms more frequently engage in activities at which they are more competent.	No
	1993	Kogut, B Zander, U	1091	Knowledge of the firm and the evolutionary-theory of the multinational-corporation	See Kogut and Zander (1992). Capabilities include "the capacity to grow and develop through the recombination of existing element of the knowledge of the firm and its members" (p. 627)	Yes
Competen c*	1990	Prahalad, CK Hamel, G	3309	The core competence of the corporation	"Core competencies are the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies...Core competence is communication, involvement, and a deep commitment to working across organizational boundaries" (p. 81). Unlike physical assets, competences do not deteriorate with use. Core competences can be identified by their ability to provide potential access	Yes

					to a wide variety of markets, by their significant contribution to the perceived customer benefits of the end product, and by the difficulty of imitation by competitors.	
	1991	Hamel, G	1415	Competition for competence and inter-partner learning within international strategic alliances	Core competences are types of "firm-specific skills" (p. 83)	Yes
	1992	Leonard-Barton, D	1716	Core capabilities and core rigidities - a paradox in managing new product development	See above re Leonard-Barton (1992)	Yes
	1992	Mahoney, JT Pandian, JR	722	The resource-based view within the conversation of strategic management	See above re Mahoney and Pandian (1992)	Yes
	1993	Levinthal, DA March, JG	1862	The myopia of learning	See above re Levinthal and March (1993)	No

## 2.1 Capabilities in the 1990's and 2000's

As will be demonstrated later in this monograph, capabilities continue to be associated with the RBV (and competence) in the management literature. Another fundamental contributor to capabilities theory, however, is not recognized in preceding searches for top citations, though it is recognized as foundational (cf. Mihi-Ramirez et al. 2011, Barney et al. 2001): Evolutionary economics. Evolutionary economics (EE) identifies routines as the building blocks of firm capabilities (Nelson and Winter 1982). Routines are embedded, recurrent patterns of activity in the firm (Amit and Schoemaker 1993). These patterns are persistent, relatively stable and permit the firm to retain and use the knowledge it generates over time. As a result, capabilities and routines have very similar characteristics and uses, with capabilities portrayed as broader, more complex recurrences than the routines from which they can be formed. Winter (2003) says capabilities are “high-level” routines or collections of routines (p. 992), implying similarity, while Barney (2001) notes routines and capabilities can be considered “virtually indistinguishable” (p. 647). In these ways, the organizational strategy literature defines capabilities, at least in part, as repeatable patterns of resource deployment available to the firm.

Furthermore, in relating routines and capabilities, Winter (2003) says capabilities confer decision options upon firm management. This is similar to Moorman and Slotegraaf (1999), who explain that capabilities can be considered options created by past firm investment. That is, capabilities can represent a potential that can be applied to future opportunities. This implies the capabilities construct captures both recurrent activity patterns and related resources, and management's cognitive representations of said patterns as potential courses of action for future deployment. Capabilities are based on knowledge and past activity patterns at the firm. By considering capabilities as evident based on past events, they can be considered embedded resources or

established assets. They also, however, represent the firm's capacity for acting in the future (cf. Amit and Shoemaker 1993). That is, capabilities can be considered potential future activity patterns whose effectiveness, upon deployment, can be altered due to changing environmental circumstances and in their very nature, based on the accumulation of firm learning about its own resources and the processes that bind them.

## 2.2 Capabilities' Entry to the Marketing Domain

It is in the state of development described above that organizational capabilities arrived at the marketing domain in the early 1990's; that is, the construct was vaguely and variously described. Researchers consistently referred to repetitive patterns of resource combination founded in the skill and knowledge at the firm. The construct's affiliation with firm performance was established but unspecific. The literature did not assert whether capabilities were managers' ideas of activity patterns or the patterns themselves. Nor were there criteria for identifying capabilities or distinguishing them from other firm activity (e.g. routines).

As noted earlier, marketing and capabilities were linked in the strategic management literature in the early 1990's. Conant, Mokwa, and Varadarajan (1990) use the phrase 'marketing competences' to refer to "the relative thrusts along the product, price, promotion, and distribution components of the marketing mix" (p. 368), developing a measure of marketing competence "carefully designed to focus on functional-level marketing competencies" (p. 373) with items that include, for example, knowledge of customers, skill to segment and target markets, quality of service and offerings, image, and locations of facilities. Some of these competences read as elemental constituents of capabilities (e.g. knowledge, skill). Others could be considered assets or resources (e.g. image, locations) while still others could be considered more akin to organizational strengths or success factors (e.g. quality of service). This early description of

marketing capabilities/competence illustrates the wide range of potential descriptors of the construct. Again, this lack of specificity contributes to an ultimately vague description.

Capabilities theory was more powerfully bridged into the marketing domain by George Day (1994) with his article: "The Capabilities of Market-Driven Organizations" (CMDO). The aforementioned foundational organizational capabilities papers were contemporary to Day's paper and their conceptualizations can be found within it. Day weaves capabilities theory and organizational learning into his arguments, along with market orientation (MO) to develop the idea of marketing-related capabilities. He also presents definitions, typologies, and relationships among constructs that were relatively new to the marketing domain at the time. Day defines capabilities as "complex bundles of skills and collective learning, exercised through organizational processes that enable firms to coordinate activities and make use of their assets" (p. 38). That is, capabilities are described in terms of processes that employ both resources and bundles of knowledge and skill akin to those discussed in the organizational capabilities literature.

It is pertinent that, although capabilities are defined in Day's paper, use of the adjective 'marketing' is not explained. In fact, Day neither coins the phrase 'marketing capabilities' nor uses it in his paper at all. Instead, he describes three specific organizational capabilities – market-sensing, customer-linking, and channel bonding – and links them to marketing via MO. The role of MO is, therefore, fundamental to the eventual use of 'marketing' as a modifier of capabilities in the literature. In CMDO, Day (1994) reviews contemporary conceptualizations of MO and MO's association with the firm's embrace of the marketing concept. MO emphasizes the primacy of information related to the firm's market. The importance placed on knowing and using market information is related to the firm's high market orientation and is therefore connected to its

embrace of the marketing concept. I contend that this acknowledgement of and support for the marketing concept by the firm, via MO, suggests the particular organizational capabilities described in the paper are 'marketing' capabilities.

The link between superior performance via competitive advantage and capabilities is also central to Day's arguments. Capabilities theory permits Day to establish the link between MO, his marketing-related capabilities and performance. It emphasizes the importance of managers' ability to relate to the firm's market via the sensing, linking and bonding capabilities. As a result, Day (1994) makes managerial understanding of the firm's environment and circumstances essential to performance. That is, the premise is that management must use the capabilities described in order for the firm to sense, link, and bond with market-based stakeholders. The knowledge this generates leads to enhanced firm performance. Day (1994) does not, however, describe any mechanisms or additional constructs related to how the translation of knowledge into performance might occur.

The use of (then) contemporary theoretical arguments about MO and capabilities help Day (1994) to establish that capabilities are built upon the expression of knowledge via routines and systems, and that it is this deeply embedded, idiosyncratic firm knowledge that makes capabilities distinctive and able to generate advantage. The result is a description of a 'marketing-related' capabilities theory that entwines RBV, capabilities, organizational learning, and MO with the search for superior performance. All of these were attractive research areas in marketing at the time.

### 2.3 The Emergence of Marketing Capabilities post-CMDO

Although Day (1994) did not refer to 'marketing capabilities,' the phrase began to appear in the marketing literature after the publication of his seminal paper. A Web of Science™ search for the phrase 'marketing capabilities' in publication titles unearths the first use of the phrase in two American Marketing Association conference proceedings: Vorhies (1996); Vorhies & Yarborough (1996). Two years later, Vorhies (1998) assigns the notion of marketing capabilities to instances where a firm's marketing employees "repeatedly apply their knowledge and skills (both of which are intangible resources) to transforming marketing inputs to outputs" (p. 4). Near this time, Dutta et al. (1999) describe marketing capability as "exhibiting superiority in identifying customer needs and in understanding the factors that influence consumer choice behaviour" (p. 550). Both papers cite Day (1994), but importantly, the two descriptions differ. The former asserts that marketing capabilities are processes of knowledge and skill application while the latter describes marketing capabilities as an understanding of consumer behaviour. We are reminded of icebergs in the foggy sea in that the marketing literature contains various conceptualizations of capabilities. They may be complementary but they are also confusing.

Subsequent research continues to describe marketing capabilities as patterns of activity characteristic of either: 1) the firm; or 2) one of its departments. Vorhies and Morgan (2003) write that marketing capabilities are "task characteristics" (p. 103) that pertain to the nature of marketing work and ways it is performed. That is, marketing capabilities are the "business's ability to perform common marketing work routines through which available resources are transformed into valuable outputs" (p. 103). Morgan, Zou, Vorhies & Katsikeas (2003) declare "routines are combined within the organization to develop capabilities that are the organizational processes by which available resources are combined, transformed, and deployed in ways that

create valuable outcomes." (p. 292). Each of these descriptions portrays marketing capabilities as transformational processes. Inputs, in the form of resources, become valuable to the firm via the application of skill and knowledge. Knowledge and skill are presumably found in organizational routines.

A portrayal of marketing capabilities as sets of activities at the firm appears to crystalize at this time. Together, Vorhies and Morgan (2003) and Morgan et al. (2003) have been cited 820 times (Google Scholar, March 2017). These works establish that routines are subunits of capabilities, thus implying that capabilities in some way capture a larger set of activities. Also, they represent marketing capabilities as being clearly deployed by managers at the firm. The links between marketing capabilities and firm performance are direct. Yet there is no mention of mechanisms by which capabilities, upon deployment, transform resource combinations into performance. No intermediate ends are identified. Also, there is no description of potential differences between managers' perceptions of marketing capabilities, a priori, and the de facto enactment of those same marketing capabilities.

As a consequence, the argument of Vorhies, Morgan and their various co-authors seem to position marketing capabilities as realized patterns of complex activity that result directly in firm-level performance outcomes. Their research however, is not immune to the confusing descriptions of the construct; these authors have produced three different lists of marketing capabilities measures in their research (see Table 2). Each version of the list cites their previous publications yet there is no mention of ongoing development or refinement of the assortment of marketing capabilities provided. Although the list of marketing capabilities is reasonably stable, there are instances where it changes. For example, Morgan, Vorhies, and Mason (2009) do not include Environmental Scanning or Market Information Management capability measures that



are included in earlier research. Instead, they use Kohli and Jaworski's (1993) measure of MO. This implies that either MO, or at least some components of MO, may be marketing capabilities, or that MO may be an entirely separate construct as it is included in their model as something separate of the other seven marketing capabilities. In addition, Vorhies and Morgan (2005) generate eight specific marketing capabilities from the literature and field interviews. Managers were asked to "identify and describe the marketing capabilities of their firms that they believed contributed most to creating value for customers and for the firm" (p.82). There is no evidence in the paper that managers were asked to relate the capabilities identified to the resources available to them or the routines enacted at their firms. Marketing capabilities appear to be considered as self-evident to managers. Nor do the items generated for these measures necessarily point to routines. For example, the measures for selling capability (2005, 2009) include: "Giving salespeople the training they need to be effective"; "Sales management planning and control systems"; "Selling skills of salespeople"; and "Sales management skills". The first and second items imply some combination of process, skill, and knowledge that could, by extant definitions, be considered capabilities themselves. The third and fourth identify skills which are consistent with defining capabilities as including the use of skill and knowledge. The word 'routine' is not used in any of the measures.

**Table 2 - Elements of Marketing Capabilities Measures from Vorhies & Morgan and co-authors**

<b>Vorhies &amp; Morgan (2003)</b>		<b>Vorhies &amp; Morgan (2005)</b>	<b>Morgan, Vorhies &amp; Mason (2009)</b>
Specialized Marketing Capabilities	Advertising and Promotion	Marketing Communications	Marketing Communications
	Personal Selling	Selling	Selling
	Pricing	Pricing	Pricing
	New Product/Service Development	Product Development	Product Management
	Public Relations		
Architectural Marketing Capabilities	Environmental Scanning	Market Information Management	
	Market Planning	Marketing Planning	Marketing Planning
	Marketing Implementation	Marketing Implementation	Marketing Implementation
	Marketing Skill Development	Channel Management	Distribution Management

#### 2.4 Other Marketing Capabilities Concepts

Beyond the specific phrase 'marketing capabilities,' other, parallel conceptualizations have emerged in the literature and further muddle descriptions of the focal construct. One is Srivastava et al.'s (1999) 'market-based capabilities.' These include three, organization-wide, macro-level processes: product development management, supply chain management, and customer relationship management. These processes, however, are not considered marketing capabilities by the author. Instead, they are described as being "infused" with marketing capability, thereby improving their effectiveness (p. 170). The infusion of marketing capabilities

means those involved in the macro-level process bring a "marketing perspective" (p. 170) to each of the sub-processes that constitute the macro-level process. This is similar to the embrace of the marketing concept via MO, as discussed in Day (1994) in that both papers assert: 1) the importance of the firm's embrace of the marketing concept and the related primacy of market-based information; and 2) marketing capability as bundle(s) of activities and processes deployed by the firm. The influence of marketing capability upon market-based capabilities, however, is not to be confused with market-based capabilities necessarily being marketing capabilities themselves (cf. Angelo-Ruiz 2014).

Yet another conceptualization is from Greenley, Hooley, and Rudd (2005). These authors use Day's (1994) customer-linking capability to define 'market innovation capability' - described as the firm's ability to innovate in the marketplace - and the firm's human and reputational assets to describe 'market-based resources'. Market-based resources are based on Srivastava, Shervani, and Fahey's (1998, p. 4) description of market-based assets as "...any physical, organizational, or human attribute that enables the firm to generate and implement strategies that improve its efficiency and effectiveness in the marketplace (Barney 1991)." Note that these are market-based assets not market-based capabilities per Srivastava et al. (1998). Greenley et al.'s (2005) inclusion of capabilities as resources illustrates the paradoxical nature of the marketing literature on capabilities. That is, some describe capabilities in the context of the RBV and capabilities become another resource to deploy. Items labelled assets, such as firm reputation, can be considered for their effects even if they really cannot be deployed without using other resources.

Others place the focus on the skills, knowledge and processes that coordinate resources and by virtue, make marketing capabilities a construct distinct from resources.

**Table 3 - Prevalent Construct Descriptions Related to Marketing Capabilities**

<b>Author (Year)</b>	<b>Construct</b>	<b>Construct Description</b>
Nelson & Winter (1982)	Routine	“all regular and predictable patterns of behavior of the firm is routine” (p. 14)
Prahalad & Hamel (1990)	Organizational Competence	"the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies" (p.81)
Barney (1991)	Resources	Capabilities are included among firm resources along with firm assets, organizational processes, firm attributes, information, knowledge, etc. (p. 101).
Amit & Schoemaker (1993)	Organizational Capabilities	<p>“Capabilities, in contrast [to Resources], refer to a firm's capacity to deploy Resources, usually in combination, using organizational processes, to effect a desired end.</p> <p>They are information-based, tangible or intangible processes that are firm-specific and are developed over time through complex interactions among the firm's Resources.</p> <p>They can abstractly be thought of as 'intermediate goods' generated by the firm to provide enhanced productivity of its Resources, as well as strategic flexibility and protection for its final product or service.</p> <p>Unlike Resources, Capabilities are based on developing, carrying, and exchanging information through the firm's human capital.” (p. 35)</p>
Day (1994)	Organizational Capabilities (of market-driven organizations)	“complex bundles of skills and collective learning, exercised through organizational processes that enable firms to coordinate activities and make use of their assets” (p. 38)
Morgan et al. (2003)	Marketing Capabilities	"business's ability to perform common marketing work routines through which available resources are transformed into valuable outputs" (p. 103)

In summary, my review of the marketing capabilities literature suggests that the construct is represented in different ways and hindered by similar or overlapping conceptualizations that have been developed within the same time period. The varied origins and uses of terminology are similar, but not identical. To capture this variety and overlap, a summary of some of the prevalent construct descriptions provided in the literature review are displayed in Table 3. The descriptions are provided in chronological order. While the construct names change over time, their definitions continue to overlap. Other than Amit and Schoemaker's (1993) distinction between resources and capabilities, it appears that routines, capabilities, and marketing capabilities are all conceptualized as skill and knowledge-based and process-oriented patterns, with little grounds for discerning one from the other.

Such variety only confuses meaning of each term in use. From the perspective of marketing theory, this practice is also in marked contrast with Hunt's (2010) view that good definitions exhibit inclusivity, exclusivity, differentiability, clarity, communicability, consistency, and parsimony. It is in pursuit of this sort of description of marketing capabilities, and in light of the vague and overlapping extant descriptions characterized by Table 3, that I turn to scientometric methods.

### 3. METHODS AND DATA

This monograph applies multiple methods to explore how marketing capabilities are described in the literature in the 20-plus years since its introduction as an important construct. Following from the conventional literature review, which summarizes the development of the capabilities construct and its diffusion into marketing circa 1994, I rely on other methods to analyze how the construct has been described in the period of 1994 - 2016. My goal is to reveal insights into the extant descriptions of the phrase 'marketing capabilities' that might go unnoticed in a conventional literature review. The insights provided by the different methods do not to merely summarize work to date, or frame my arguments or point out areas for future research. Instead, they reveal necessary theoretical refinements to the construct.

The methods I employ can be broadly categorized as scientometric. Scientometrics is the science of measuring and analyzing science (Stremersch 2007). Here, I apply two scientometric methods to analyze the citations, text, and measures used in relevant research bodies: 1) bibliometrics; and 2) corpus linguistics. When compared to a conventional literature review, each of the methods provides an alternate lens trained on the body of scientific communication. These methods also allow for the systematic consideration of much more data than would a traditional literature review. The result is a more thorough and objective assessment of the marketing capabilities construct. I also use multiple data sources to assure more comprehensive coverage of publication sources relevant to the literature. This also allows me to compare data analyzed from one source with that of the second source to determine the consistency of my findings.

It is perhaps notable that there are a variety of bibliometric and corpus linguistic methods that I have chosen not to use to in this study. For example, corpus techniques can be used to compare

corpora from different time periods or genres (Biber 2010). Likewise, bibliometric data can use co-citation patterns and statistical methods to unveil the development of an area and its underlying social network (cf. Samiee and Chabowski 2012). For example, cluster and scaling techniques can be used to identify critical ideological subsets of the research area or represent key authorial influences on its development. I am, however, most interested in the frequency and prevalence of concepts used in marketing capabilities en masse, and not the relationships between them nor their underlying social progenitors. Consequently, I focus on techniques related to the former.

### 3.1 Bibliometric Data

As explained earlier, the emergence of capabilities research in the marketing domain is attributable to the publication of "The Capabilities of Market-Driven Organizations" by George S. Day in 1994. This paper has been cited over 1500 times since its publication, making it one of the most cited and, therefore, most influential papers in the marketing strategy domain during the past 25 years (Chan et al. 2012; Stremersch et al. 2007). Consequently, I use works that cite Day (1994) as a source of data for mapping the progress of 'marketing capabilities' construct and research related to it.

A Web of Science™ Core Collection database search on 'the capabilities of market-driven organizations' yielded 1563 citations in March 2016. Other Web of Science™ databases do not permit retrieval of abstract or keyword information and were omitted. These other databases (SciELO, BIOSIS, and the Chinese Science Citation Database) are not typically related to the

management field. The data retrieved includes paper title, journal title, author names, publication year, times cited, and abstracts.

At the same point in time, a second Web of Science™ Core Collection query was conducted using the search term "marketing capabilit\* OR marketing competenc\*". This search was performed to obtain a broader dataset, one without any intentional bias toward the Day (1994) publication. Search returns were too large to export so the search was constrained to the research areas labeled "Business Economics". This search resulted in 4957 citations.

To conduct a scientometric examination of the measures used within the marketing domain, the citations from the aforementioned 1563 Day (1994)-citing papers were filtered. Harzing's (2015) Journal Quality List (JQL) was used to identify citations in this data by relating them to journals assigned to the marketing domain. This resulted in 597 Day (1994) citing papers that were assessed for measures or emergent qualitative constructs of marketing capabilities. In total, 247 papers included forms of construct operationalizations. Of these papers, 148 contained 172 survey-type measures that were analyzed (a list of the 148 papers with survey-type scales is provided in Appendix 5). The remaining papers with construct operationalizations were as follows: 44 theoretical/conceptual constructs, 32 qualitative measures, 21 metric measures (e.g. financial proxies used to measure marketing capabilities), and 2 constructs used in meta-analysis.

### 3.2 Corpus Data

The representativeness of the corpus to the research questions is vital. The corpus (or body of text) selected for this research has been assembled using peer-reviewed journal articles and conference publications. Because this type of formal, scientific communication in English is the



standard for creating academic knowledge, it was deemed an appropriate source for the investigation of meaning.

The Business Source Complete database contains over 5000 business-related journals (<https://www.ebscohost.com/titleLists/bth-journals.pdf>) and was used to obtain data to build the body of literature for the corpus linguistics (CL) analyses. To test Business Source Complete's ability to deliver content, I compared its journal coverage with that of Harzing's (2015) JQL for marketing and for general management/strategy. The Business Source Complete database provides coverage of 56 of the 65 journals in JQL for marketing, and 63 of 69 in general management/strategy. Accordingly, I consider the assembled corpus to be representative of the marketing literature and the larger management literature in general.

The search phrase "market\* capabilit\* OR market\* competenc\*" was used to locate articles published between January 2006 and December 2015. The period was chosen because it captures the majority of publications about marketing capabilities and because it provides a corpus that reflects contemporary depictions of the construct. For example, 75.6% (3761 of 4957) and 78.1% (1221 of 1563) of the previously mentioned Web of Science™ Core Collection citations occurred in 2006 or thereafter. The corpus, therefore, captures representations of marketing capabilities that are both current and comprehensive. This search returned 538 pdf files. After eliminating papers that were not written in English, the analyses are based on a large specialty corpus of 504 files.

To build the corpus, a software program was designed to query and scrape text data from the Business Source Complete database (<https://www.ebscohost.com/academic/business-source-complete>). The pdf document format version of each paper was downloaded, when available.

The pdf documents were then converted to text files using AntFileConverter v. 1.2.0 ([www.laurenceanthony.net](http://www.laurenceanthony.net)). Hence, the 504 files were assembled into a corpus containing 71,502 different word tokens and 4,446,715 total words surrounding the marketing capability construct.

Armed with these datasets I applied a variety of scientometric and CL techniques to the data to generate insight.

### 3.3 Analytic Approaches

As noted, scientometrics is the quantitative study of the progress of science research (VanRaan 1997). Bibliometric analysis is a subset of scientometric methods, a social science methodology that uses citation data from the publication of scientific activity to track and analyze patterns of scholarly thought (Di Stefano et al. 2010). It can reveal both the intellectual structure in a field (Samiee and Chabowski 2012) and its underlying social structures (Goldman and Grinstein 2010). Bibliometrics can remove subjectivity from the analysis of emergent data while offering flexibility and the capacity for analyzing large amounts of data (Samiee and Chabowski 2012). For these reasons, I use bibliometric methods to explore the development of research activities related to marketing capabilities.

Bibliometric methods are used increasingly in management studies (Di Stefano et al. 2010). Although bibliometric analyses have been performed in related areas such as dynamic capabilities (Peteraf, Di Stefano, and Verona 2013; Vogel and Guttel 2013) and market orientation (Goldman and Grinstein 2010; Liao et al. 2011), the current research is believed to be the first analysis of the intellectual structure of marketing capabilities. Per Di Stefano et al. (2010), bibliometric methods “bring a level of objectivity and quantifiability to the task that

reduces the level of bias inherent in alternative approaches, such as surveys of experts or more traditional literature reviews (Nerur et al., 2008)” (p. 1189). As such, these methods offer an alternative lens and insight into the description and understanding of the marketing capabilities construct.

The 1563 citations of Day (1994) and 4957 citations from my search on "marketing capabilit\* OR marketing competenc\*" (MC search) were retrieved from Web of Science™ Core Collection in a text file format. The files were manipulated using Bibexcel (Persson et al. 2009) to gain the formatting needed to perform various forms of analysis. Text files containing citations were also manipulated using Sci2 (Sci2 Team 2009) and Gephi (Bastian M. 2009) in order to filter the citations (e.g. by domain or journal title) and use the resultant lists to perform comparisons.

The two datasets were first examined in their respective entirety by field, with occurrence frequencies calculated for keywords, authors, journals, publication year, and word use in both abstracts and titles. These analyses were used to identify the prominence of authors, keywords, years, and journals in the related bodies of literature. Co-occurrence data was then created for authors and keywords. Co-occurrences quantify bibliographic elements used together in one citation (e.g. author's names) within a body of research. This data captures underlying relational structures and may also be used to represent these structures graphically (Tijssen and Vanraan 1994).

Two-dimensional data analysis was also undertaken to further probe for patterns in the data. Authorship per publication years, publication journal, times cited and use of keywords was

plotted and examined for trends. Similarly, journal title, keyword, and abstract word use by year was examined.

Each dataset was then filtered using Harzing's Journal Quality List 55th edition (Harzing 2015).

The JQL is a collation of journal rankings that categorizes management-related academic journals by subject area. The list was used to identify clusters and trends published in the marketing subject area, and to compare them to similar occurrences in the general management and strategy area (GMS). The objective of analyzing the data by domain was to identify any differences in the focal concepts and research patterns between the two areas. These two research domains were considered focal as: 1) the objective of the research is to explore descriptions of marketing capabilities with specific consideration of the marketing domain; and 2) the capabilities literature in the General Management/Strategy (GMS) domain is considered the basis from which capabilities were merged into the marketing literature. Papers from the Day (1994) search data included 597 citations (of 1563) in the marketing domain while data from the MC search resulted in 906 citations (of 4957) for the same. A summary of citations in the marketing and GMS domains is provided in Table 4. Data from the two datasets within each domain were compared as were data across the domains themselves.

**Table 4 - Bibliometric Citation Data by Domain**

<b>Domain</b>	<b>In Both Datasets</b>	<b>Day (1994) Only Citations</b>	<b>Day (1994) Total Citations</b>	<b>MC search Only Citations</b>	<b>MC search Total Citations</b>
Marketing	292	305	597	614	906
GM/Strategy	40	68	108	593	633
All Domains			1563		4597

Analysis of the bibliometric data focused on the use of keywords for two reasons: 1) keywords are a way that authors assign meaning to their research in that they denote the concepts the author believes are central to the paper; and 2) Keywords are discrete terms that are representative of the larger body of work. An analysis of the words used in the keywords, the titles, and the abstracts of an earlier, 2014 dataset of 1442 citations of Day (1994) reflected fidelity between these three sets of data. It is further assumed that abstracts, keywords, and titles reflect the essential content of the literature. This is an underlying tenet of bibliometrics and its corresponding methods (Samiee and Chabowski 2012). A corpus linguistics software, AntConc (Anthony 2005), was used to isolate words in the titles and abstracts and generate frequencies. The frequencies of non-trivial words used in the titles and abstracts were compared to the keyword frequencies. All three exhibit highly similar patterns of use, giving reason to believe keywords represent prominent concepts in the data and support is provided for the use of keywords as a means of discerning thought areas in this body of work.

I focused specifically on original keywords - those keywords assigned to documents by their authors. Additional keywords are assigned to citations by Web of Science™ using their Keywords Plus® feature (Sinha 2017). That is Web of Science™ editors assign additional keywords based on contemporary use and descriptions of the citations. Original keywords,

therefore, capture the original intentions of the authors at the time of publication and permit more accurate tracking of meaning over time.

Keyword co-occurrences were compiled for each subset of the data generated by the combinations of domain and datasets (see Table 4). Network maps were then created to visualize the relative prominence and connectedness of popular keywords. The number of keywords to include on a map were selected based on three criteria: 1) the inflection points apparent in histograms plotted for the frequency distributions of each field; 2) the ability to create network maps that contain as much data as possible while remaining visualizable; and 3) an analysis of these clusters' representativeness which compares author and keyword patterns for the mapped clusters to other data from the sample.

The JQL was also used to conduct scientometric examination of the various constructs and measures used within the marketing domain. The JQL was used to identify the 597 papers from the Day (1994) dataset that were published in marketing domain journals. These papers came from the total of 1563 papers citing Day (1994). Each paper was reviewed for measures or emergent qualitative constructs of marketing capabilities. I was the sole reviewer and coder. A measure was considered a 'marketing capability' measure if it was explicitly described as a capability or competence at the firm or SBU level within the paper. The underlying assumption is capabilities measures used in studies published in the marketing domain are marketing capabilities unless otherwise stipulated. It is recognized, though, that some capabilities measures may not be considered marketing capabilities despite being published in the marketing domain, so exceptions to this general rule were made. If one capability in a study was explicitly labelled a marketing capability then other, firm-level capability measures used in the paper were considered non-marketing and treated as such. Also, if a measure was not explicitly labelled a

capability and was described with no more than cursory use of capabilities-related theories, then it was not recorded as a marketing capability. For example, innovation or learning measures used in conjunction with organizational learning theorizing were not considered marketing capabilities.

Measures of activity or effort, unless explicitly labelled or theorized as a 'capability', were also excluded. This is particularly salient for measurements of market orientation. If MO was labelled a marketing capability within the paper, then it was captured as a marketing capabilities measure. If not, it was considered something other than a capability and omitted from related analysis. The same practice was used with other measures e.g. strategic orientations. If they were labeled orientations even though they refer to the activities and behaviours intrinsic to the orientations instead, they were considered orientation measures and not capabilities measures. This criterion is consistent with my effort to capture only the intentional measurement of marketing capabilities.

A list of constructs of marketing capabilities that emerged from qualitative methods and theoretical papers was also accumulated. Papers that mention capabilities theories in passing but did not discuss the construct in detail were similarly omitted from the set of marketing capabilities.

The measures from surveys reported in the literature were then categorized. An emergent coding method was employed by examining and re-examining the data several times. Initially, codes were assigned to each measure. This list of codes was then reviewed with an eye to grouping those that are similar in connotation. This process was performed several times, with intervening periods of reflection, until I could no longer group items without losing important distinctions

between them. This method is similar to techniques used in grounded theory development (cf. Strauss and Corbin (2007). It is also consistent with the aim of grounded theory development to “elicit fresh understanding about patterned relationships between social actors and how these relationships and interactions actively construct reality” (Suddaby 2006). In this case the social actors are the researchers of marketing capabilities and their interactions are documented in the published literature they produce.

Labels were applied to each measure then re-visited and refined until I arrived at 12 categories for the measures. These are: 1) Learning and Knowledge, 2) General Marketing, 3) Dynamic Capabilities, 4) Pricing, 5) Promotion/Integrated Marketing Communications, 6) New Product Development and Innovation, 7) Distribution (Place), 8) Information Technology, 9) Networking and Relational, 10) Sales and CRM, 11) Explore/Exploit, and 12) Orientations. As a result, a broad typology of ‘marketing-related capabilities in use’ in the marketing domain was developed for analysis.

### 3.4 Corpus Linguistics

Corpus Linguistics (CL) is a relatively new methodology (Baker et al. 2008) that uses computer-driven techniques to analyze language use. Modern computing power permits us to: 1) search large corpora (bodies of text) for specific terms, 2) quantify the terms in use and, 3) annotate the corpus. The first technique produces a concordance - a listing for the term as it is used in context throughout the corpus. The second counts the use of the given term and may be used as a statistical abstraction. These statistics can be employed to compare word use with other terms, across corpora, and over time. The third adds information to the corpus that can contribute to better understanding. For instance, the use of adverbs can indicate the author’s attitudinal stance



on the subject (Conrad and Biber, 2000) As a result, CL can be used in exploratory research to interrogate a corpus, or as a means of testing hypotheses about the corpus and its related domain using quantitative analysis (Pollach, 2012). This research adopts an exploratory perspective on the corpus.

The list of CL queries performed on the corpus is too long to enumerate. This was an exploration of the corpus from an alternate perspective. My adoption of an exploratory approach means I started with a set of elementary queries (e.g. how many instances of the lemma [forms of the term 'capability'] 'capabilit' occurred in the data? Which terms are highly collocated with 'marketing capabilities'?). I then branched off to different lines of enquiry, often returning to the original queries to begin yet another exploration of the data. These meant working back and forth between some of the CL analyses and the other scientometric analyses to question or corroborate findings. As a result, I will refer to specific results of the CL data analysis where they become salient and apply in the ensuing chapters. Specific references to CL queries begin in the next chapter, which highlights the remarkable similarities in the marketing capabilities literature across several dimensions of the datasets generated for the purposes of this research.

## 4. IMMUTABLE – The Large and Fossilized Marketing Capabilities Literature

Upon initial examination, the most remarkable feature of the various datasets is the similarity of prominent concepts and constructs within them. These similarities demonstrate how the literature itself embodies immutability – research whose focus is unchanged over time. In this way, the marketing capabilities literature can be imagined as a type of monolith – massive, formidable and somewhat singular in character.

Such an intellectual structure implies general agreement about the constructs and relationships that are of importance to the research area. However, it also creates wariness about the subsequent progression of those constructs after their initial specification and description. As a result, the objective of this chapter is to describe and establish the stable and constant intellectual structure of marketing capabilities. The immutable character of the research area raises questions about whether and how marketing capabilities constructs have been developed within the marketing domain during the past two decades of research. The questions that emerge during this initial data analysis lead to my various lines of enquiry and exploration in subsequent chapters. I begin with analysis of the bibliometric data, reinforce findings based on the CL corpus, then further affirm the constant nature of the marketing capabilities area by evaluating the measures used to assess them.

### 4.1 Analytical Approaches Using Bibliometrics

Original keywords from the 1563 Day (1994) citing papers and the 4957 papers retrieved under the search for "marketing capabilit\* OR marketing competenc\*" (MC search) were compared.

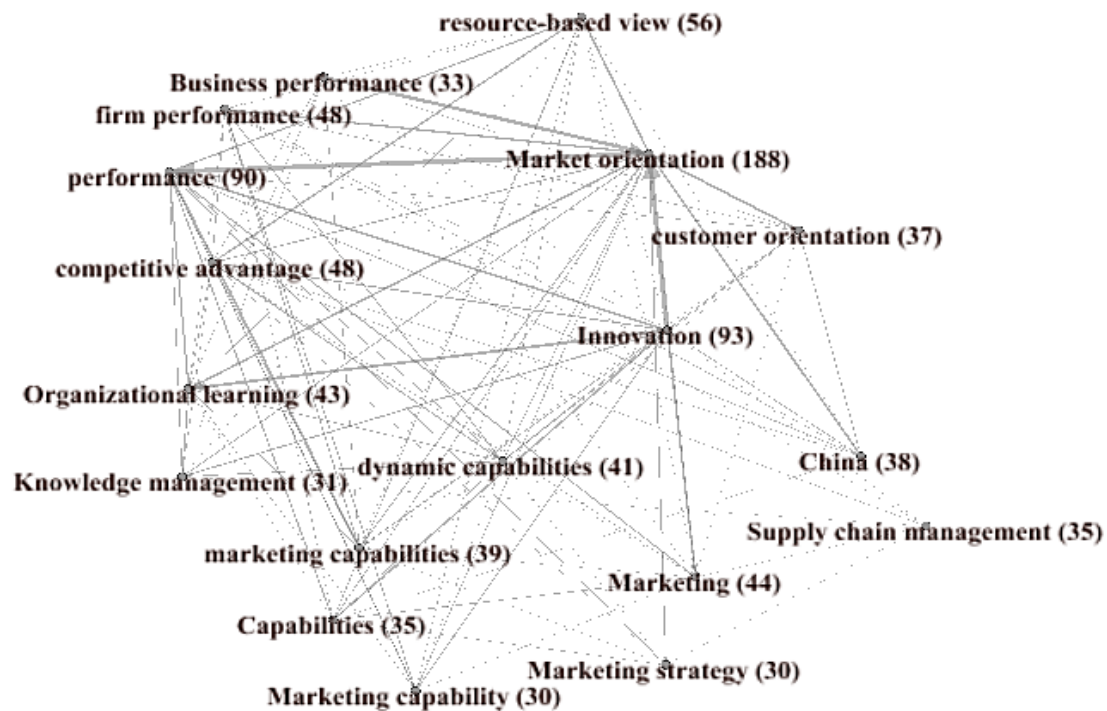
Keywords occurring 30 or more times were considered large enough sample sizes to

approximate normal distributions while small enough to permit clear graphic visualization. Data were analyzed in tabular and graphic form. The result is 18 keywords from the Day (1994) data and 42 keywords from the MC search data. As would be expected, the larger, broader MC search data provided a greater variety of keywords than did the Day (1994) data.

Only four of 18 keywords found in the Day (1994) data were not in the MC search data. They are: customer orientation, business performance, marketing strategy, and marketing capability. However, variants of three were discovered: performance, organizational performance, strategy, capabilities, and marketing capabilities. This leaves customer orientation as specific or unique to the marketing literature.

There are 35 keywords used in the MC search data but not in the Day (1994) data (see Appendix 1 for a full list). This indicates the MC search data represents a much broader sample of the marketing capabilities literature with additional emphasis on, for example, international business, entrepreneurship, and learning. Nonetheless, a core emphasis on MO, performance, innovation, capabilities and the resource-based view of the firm resonates in each dataset (see Table 5).

The top keywords from each dataset were also mapped on network graphs. These results are shown in Figures 1 and 2. Figure 1 maps the top 18 keywords from Day (1994) citations. It is deliberately organized to show the emphasis on outcomes (performance, business performance, etc.), learning and knowledge, theoretical bases (capabilities and RBV) and the related domain (marketing). These clusters of keywords can be noted by reading the graph counterclockwise from the top left quadrant of the graphic.

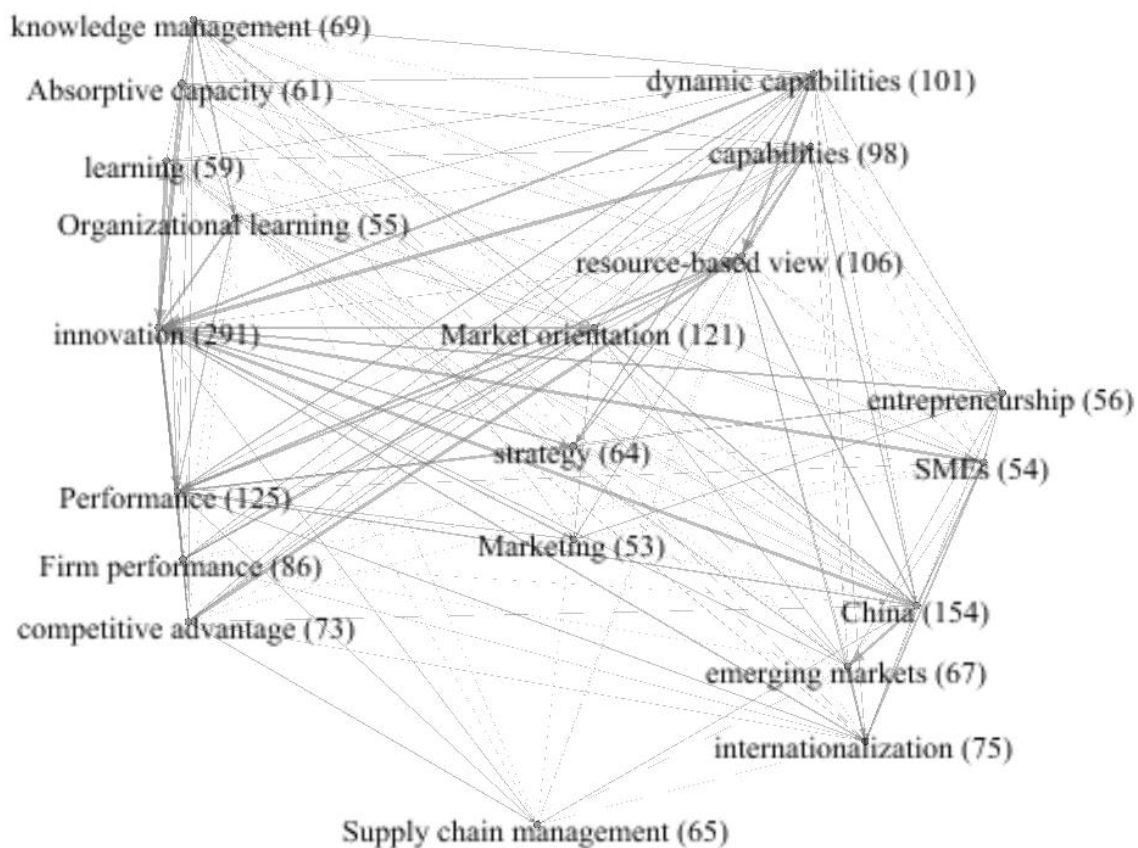


**Figure 1 - Top Original Keywords from Day (1994) Citations<sup>1</sup>**

The count of the number of times each keyword was used is listed in the node label. The connections between keyword nodes denote the use of one keyword in conjunction with another in a citation. One notable characteristic of Figure 1 is the prominence of MO and its strong ties (denoted by thicker connecting lines) to 'Marketing' and 'performance'.

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<sup>1</sup> Please note that the capitalization of some keywords and not others is an artifact of the data retrieval and conversion process when these terms are downloaded from Web of Science™.



**Figure 2 - Top Original Keywords from 'marketing capability\* OR marketing competence\*' search**

Figure 2 maps the top 20 keywords from the MC search data. This graphic was limited to the top 20 keywords to facilitate visualization. Reading counterclockwise from the top left of the graph, there are clusters of emphasis on learning and knowledge, outcomes, theoretical bases and the related domain. Additional emphasis on international business and entrepreneurship is also apparent. MO is, once more, a central construct. Both graphs also demonstrate a research interest in supply chain management.

The network density of the Day (1994) graph is 0.68, meaning 68% of the potential uses of one keyword in a citation alongside another are realized. The average degree (average number of

connections with other nodes in the graph) is 5.8. Similarly, the MC search network graph has a density of 0.8 and the average degree is 7.6. These statistics indicate a relatively dense, tightly connected network of keywords in both datasets, i.e. an immutable, monolithic structure. The ideas explored in the marketing capabilities literature, and the relationships between them, tend to be the same, over and over again. This immutable structure suggests research has been circumscribed, perhaps even fossilized, about a limited set of concepts and explorations.

A Wilcoxon signed-rank test for paired samples was also conducted to compare the related Day (1994) and MC search samples. The frequency of each original keyword was calculated by dividing the count of the keyword by the number of citations in its sample (1563 and 4957). These frequencies were paired for the 15 keywords with over 30 occurrences in each dataset. The differences between these paired frequencies were calculated and subjected to the Wilcoxon signed-rank test. The test suggests that the distribution of difference scores in the data is symmetric about zero ( $T = 30$ ,  $\alpha = 0.05$ ,  $n = 15$ ). That is, the two distributions of original keywords are remarkably similar. Use of keywords is also stable over time. Plots of keywords were constructed from citations in both datasets. Top keyword use mirrors the pattern of citations in both datasets, in general, over the past twenty-plus years (see Figure 3).

#### 4.2 Incorporating Analysis from the Corpus

The top word tokens retrieved from the Business Source Complete corpus are similar to the two sets of keywords from the bibliometric data. The most frequently used tokens were retrieved from the corpus then filtered for stop words (trivial words e.g. "the", "and") using the Natural Language Toolkit stop word list (Bird et al. 2009). The most often used, non-trivial word tokens

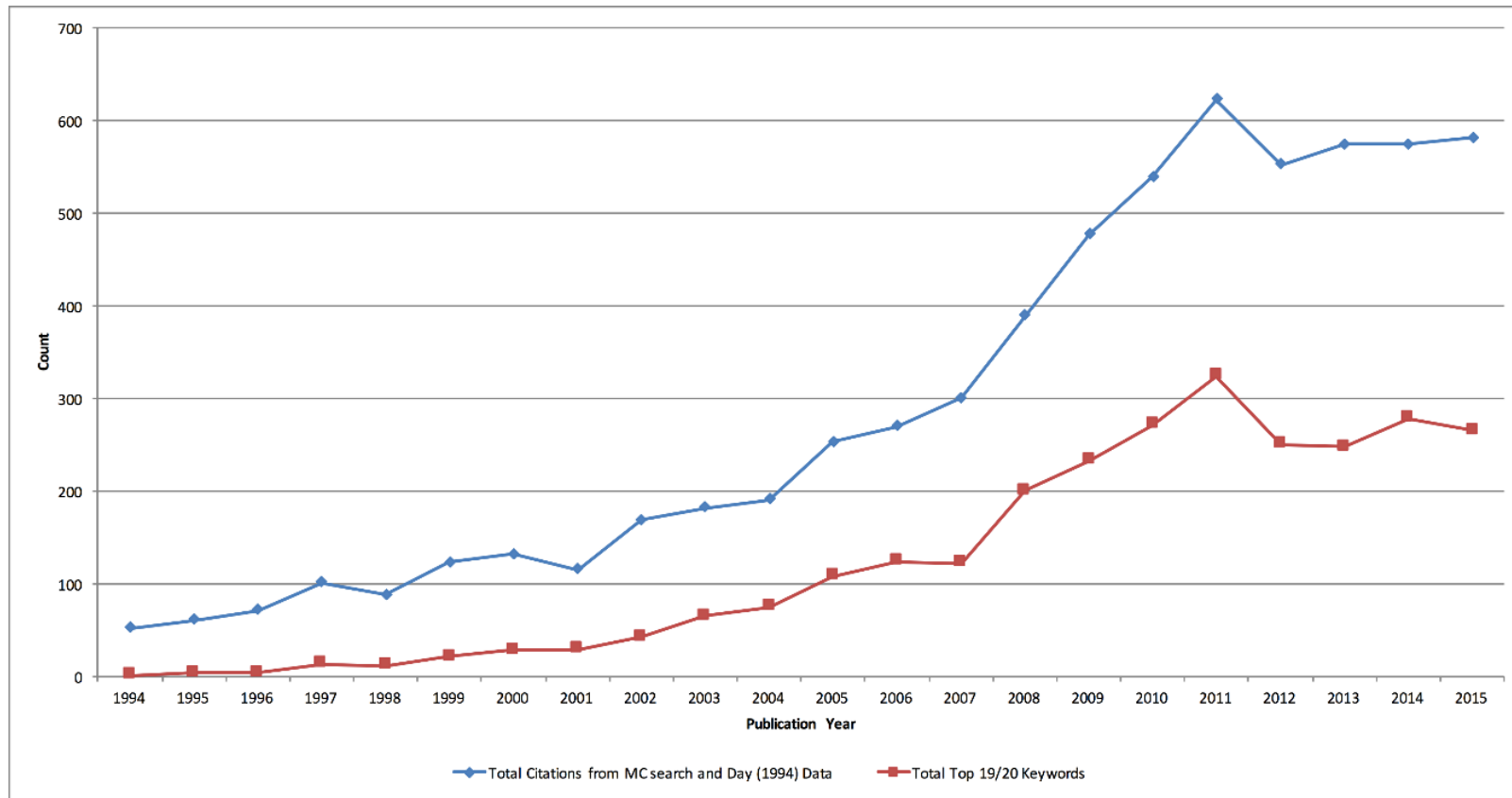
denote the research domain (e.g. marketing), the theoretical bases (e.g. capabilities), performance and firm-level analysis.<sup>2</sup>

As an overlap in the papers used in both citation datasets and the corpus might account for the similarity of prominent keywords and frequently used word tokens, I performed an analysis to match the titles used to form the corpus with those retrieved from the MC search and Day (1994) citation data. Fifty-eight titles used in the corpus were found in the 1563 Day (1994) citations and 150 in the 4957 MC search citations. The disparity may be attributable to the different sources for the data (Web of Science vs. Business Source Complete) and the different time periods used (citation data dated from 1994-2016 while corpus data is from 2006-2015). In any case, the analysis indicates that the data used in this monograph is robust in that it is derived from varied sources, each representative of the larger research area.

The top keywords and word tokens from the citation data and the corpus are presented in Table 5. Again, the similarity of the most prominent words and terms in use is notable. The top 20 keywords from the MC search citations and their counts are presented in the first two columns. The next two columns present the top 18 keywords from the Day (1994) citations (recall keyword counts of 30 or more were analyzed and there were only 18 such items in this dataset). The last two columns present the non-trivial corpus word tokens and their respective counts.

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<sup>2</sup> Typographical errors occurred in the rendering of the pdf files to text files. Specifically, ‘f’ was transcribed as ‘f̃-’ in some cases. This resulted in variants on the lemma of ‘firm’. These typographical errors were included in the analysis and, for transparency, are included where they appear in tables and examples in this monograph. A post-hoc review of found only four other such transcription errors in the top 1000 word tokens: ‘specific’, ‘first’, ‘significant’, and ‘financial’. ‘Speci f̃-ic’ was the most used of these tokens, occurring 1627 times and accounting for 0.037% of the data. Given the relative frequency of these typographical errors and the meanings attributed to each of the specific terms, these errors are not believed to affect the analysis of the corpus with respect to my research questions.



**Figure 3 - Plot of Top Original Keywords vs. Total Citations from both Citation datasets, 1994 - 2015**



The frequency and context of use of any single word token in the corpus is higher and different from the use of keyword terms in the citation data. Yet, even when limiting the corpus data to single word tokens, it is remarkable how these tokens resemble the keywords used in the two citations datasets (e.g. marketing, capabilities, performance, firm, innovation). For the purpose of this chapter, single tokens sufficiently illustrate the similarity of focal concepts across varied datasets and, indeed, throughout the research area. As a result, discussion of the analysis of multiple token combinations (ngrams) is deferred until chapter 4.

**Table 5 - Comparison of Top Original Keywords and Corpus Word Tokens**

<b>Top Author Keyword from MC Search Data</b>	<b>Count</b>	<b>Top Author Keyword from Day (1994) Data</b>	<b>Count</b>	<b>Non-trivial word token</b>	<b>Count</b>
innovation	291	market orientation	188	marketing	25514
China	154	innovation	93	market	23899
Performance	125	performance	90	management	15717
Market orientation	121	resource-based view	56	capabilities	14785
Resource-based view	106	firm performance	48	journal	14405
Dynamic capabilities	101	competitive advantage	48	performance	13719
Capabilities	98	Marketing	44	new	13419
firm performance	86	organizational learning	43	business	13096
internationalization	75	dynamic capabilities	41	research	12600

Competitive advantage	73	marketing capabilities	39	product	11067
knowledge management	69	China	38	firm	9968
emerging markets	67	customer orientation	37	capability	9205
Supply chain management	65	Supply chain management	35	innovation	8781
strategy	64	capabilities	35	firm	8498
Absorptive capacity	61	business performance	33	firms	8302
Learning	59	knowledge management	31	strategic	8055
Entrepreneurship	56	marketing strategy	30	knowledge	8019
Organizational learning	55	marketing capability	30	value	7937
SMEs	54			study	7831
Marketing	53			Development	7828
India	50			firms	7794
trust	46			also	7585
Organizational performance	45			model	7550
networks	43			based	7530
marketing capabilities	43			Customer	7463
knowledge	41			international	7210
new product development	41			resources	6910
Outsourcing	39			information	6770

Marketing strategy	38			strategy	6649
Globalization	38			technology	6315
competences	37			competitive	5980
R&D	37			industry	5952
Relationship marketing	36			markets	5892
Product development	36			process	5595
case study	35				
Information technology	34				
International business	33				
Entrepreneurial orientation	33				
Competitive strategy	32				
foreign direct investment	32				
resources	32				
Patents	32				
Value creation	30				
Business-to-Business marketing	30				
Taiwan	30				
Corporate strategy	30				

### 4.3 Survey Measures Analysis

My analysis of the 172 survey-type measures also underscores the tightly knit set of focal constructs in the marketing capabilities research area. Of these measures, 55.8% were categorized as firm or marketing capabilities. Firm capabilities are those measures taken from papers in the marketing domain that nevertheless measured broad, firm-level constructs without specific reference to marketing or marketing activity (e.g. Adaptive capability, green-related export capability). They were included in the data as they were capabilities measures published in journals from the marketing domain. Marketing measures are generic measures of marketing capability. That is, they are specifically labeled 'marketing capabilities' without further refinement (e.g. Marketing capabilities, marketing capability).

A summary of the measure categorization is presented in Table 6. As previously mentioned, only firm-level of analysis measures were categorized. Most measures capture generic, firm-level constructs, including marketing. Relatively few measures can be considered marketing activities in specific areas (e.g. promotion, sales).

**Table 6 - Survey Measures from Marketing Domain Journals in Day (1994) Data by Category**

Category	Count of Measures	Percentage of Total
Firm	51	29.7%
Marketing	45	26.2%
NPD, Innovation	15	8.7%
CRM, Sales	13	7.6%
Networking, Relational	11	6.4%
Learning, Knowledge	8	4.7%
Promotion, Marcom	6	3.5%

Distribution	4	2.3%
IT	3	1.7%
Dynamic	1	0.6%
Price	1	0.6%
Explore/exploit	8	4.7%
Orientation	6	3.5%
Grand Total	172	

#### 4.4 Conclusions

The data on the marketing capabilities literature reflects an invariable ideological structure. My analysis of different types of data (citations, corpus, measures) from different sources yield a remarkably similar focus. This is perhaps surprising given the more than twenty-year history of development of marketing capabilities in the marketing domain. There appears to be relatively little construct development, in contrast with a larger body of work on the constructs relationship with MO and firm performance. The theoretical foundation of marketing capabilities is, as expected, the RBV and its extension via organizational capabilities theory. Related concepts of learning and knowledge are also incorporated as the roots of capabilities theories (cf. Kogut and Zander, 1992). The level of analysis is at firm-level as would be expected from the nature of the theoretical foundations in use. The research domain is related to marketing and strategy, and a focus on outcomes (e.g. performance, competitive advantage) is a consistent presence.

Interestingly, there is also prominent use of the concept of innovation in these results. Innovation is an extensive research area and has varied conceptualizations and theoretical foundations. It can also be considered from both RBV perspectives and other perspectives (Harmancioglu et al. 2009). Therefore, its prominent use may be a result of its breadth as a research area and the

natural overlap with various theoretical bases that results, including capabilities. In the broader MC search data, it does indeed take a more prominent place (cf. Appendix 1 network density graphs).

Given the span of the innovation research domain, I have chosen to restrict the analysis of this term as it relates to the description of marketing capabilities. Innovation could be considered an outcome of marketing capabilities or a characteristic of them. It can also be considered an individual-level of analysis construct instead of a firm-level one. I fear that an analysis of the meaning of the term innovation relative to marketing capabilities, therefore, would be overtaken by the need to define innovation itself. This is not the purpose of this monograph so, as a result, the implications of innovation upon the marketing capabilities construct is largely left for future research.

More vital to the research question is the focus on the relationships among MO, innovation and performance, as demonstrated most prominently in Figures 1 and 2. The link between MO and performance may be related to the marketing domain's desire to substantiate the importance of the marketing concept. While this may have led to the validation of the marketing concept as a firm performance driver, it raises questions about the development of the nature of marketing capabilities themselves. For example, the lemma (root) 'definit\*'<sup>3</sup> is used only five times in the

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<sup>3</sup> 'defin\*' occurs 2508 times in the corpus. It collocates (within five tokens to the right and left) with 'capabilities' 141 times and with 'capability' 101 times. However, this does not necessarily mean the authors are defining capabilities or capability. It is just that the two tokens occur with five of each other. The overwhelming majority of the time (2266 of 2508 times) authors are using defin\* without any nearby reference to capabilities or capability. In addition, the 200+ concordance lines that contained defin\* and capabilities or capability mostly referenced extant definitions of marketing capabilities or referred to a specific type of capability relevant to the paper e.g. marketing innovation capability. Some were not related to defining capabilities at all. As a result, this additional and potentially confusing data has been omitted from the main text and relegated to this footnote.

4957 MC search data and is not found in the 1563 Day (1994) citations. None of the five instances refer to the definition of the marketing capabilities construct.

I explored further to find descriptions of marketing capabilities in the corpus. I examined the phrases "marketing capabilities are" and "marketing capability is" for direct descriptions of the construct. Each concordance from these results was categorized as characteristic, antecedent, dependent, types, or trivial. Coding as characteristic indicates the phrase provides some descriptive trait of the marketing capability itself. Antecedent and dependent codes refer to phrases that use marketing capabilities to describe relationships with antecedent or dependent variables. Types refer to those phrases assigning marketing capabilities to a typology. Finally, the trivial code captures instances where the reference to marketing capabilities is not related to its description or relationship to any category or other construct. For example, "marketing capabilities are added in step 3 of the regression analysis..." or "marketing capability is 0.35..."

As seen in Table 6, 44% of these concordance lines refer to marketing capabilities as an antecedent to some other construct (e.g. "...the moderating effect of marketing capability is positive...") and 4% as a dependent construct (e.g. "...three necessary conditions for organizations in which adaptive marketing capabilities are likely to flourish..."). 17% of the concordance lines are coded as trivial (e.g. "...marketing capabilities are added in step 3 of the regression analysis..."). Thirty-two percent of these concordances are coded as characteristic. Where these phrases directly describe a characteristic of marketing capabilities, most descriptions are not alien to the larger literature. That is, there are few concordances that describe specific features or attributes of marketing capabilities. Examples of these types of concordances, containing 'marketing capabilities are' or 'marketing capability is', are provided in Table 7, with emphasis provided by the bolded descriptions. The marketing capabilities literature offers little

in the way of new or more specific descriptions of capabilities than are already available in the wider management literature.

**Table 7 - Typical "marketing capabilities are"/"marketing capability is" Concordances**

marketing capabilities are <b>developed based on knowledge that is tacitly held</b> and difficult for rival
Marketing capabilities are <b>defined as integrative processes</b> designed to apply the collecti
marketing capabilities are <b>dispersed across multiple boundaries</b> . Using a sample of marketing execute
marketing capabilities are <b>dispersed, marketing resources</b> are distributed within and outside of the
marketing capabilities are <b>embedded</b> in the entrepreneurial processes of new venture internationali
marketing capabilities are <b>exogenous</b> . In further support of our hypotheses, we see little indication
marketing capabilities are <b>firm-specific</b> and could provide superior market sensing, custom
marketing capabilities are <b>firm specific</b> and provide superior market-sensing, customer-linking, and marketing capability is a <b>valuable resource</b> that makes the IJV competitive in the market, and marketing capability is defined as <b>integrative processes</b> designed to apply the collective marketing capability is related not only to <b>how companies manage the use of resources</b> to Marketing capability is <b>based on the marketing knowledge</b> firms have accumulated from learni marketing capability is <b>tacit in nature</b> and thus difficult for competitors to copy or acquire (

#### 4.5 Moving to a Refined Description of Marketing Capabilities

The immutable structure of the marketing capabilities literature and the related absence of construct refinement spurred my exploration of the descriptions of the construct in the marketing domain. It seems that authors working within the domain have been occupied mostly with validating the marketing concept via the relationship between MO and performance. The



refinement of this relationship appears to be at the expense of refining the marketing capabilities construct itself.

My next explorations of the data were motivated by this apparent absence of work to refine the construct of marketing capabilities. Four themes emerge from the analyses just presented and consequently, require more detailed explorations. First is the presence of a more nuanced, multi-dimensional marketing capabilities construct than the one that has been in use during the past twenty-plus years. Second is the inherently positive bias that emerges in the literature and the implications of this bias. Third is the contradictory role of the manager in the literature and the impact of varied conceptualizations upon theory and measurement. Fourth is the centrality of MO in the marketing capabilities literature, leading to the issue of whether MO is a separate construct or a marketing capability itself. As I address each of these issues, my analysis is based on the data and methods presented above, supplemented as necessary from findings from the various additional analyses I conducted.

## 5. THE THEORETICAL TWO-STEP

To me, the immutable nature of the marketing capabilities literature prompts the question of whether the use of alternative theories might enhance the conceptualization of the focal construct. It appears the literature has been occupied by the same descriptions and theoretical bases throughout marketing capabilities' life in the domain. The seeming lack of exploration for alternative or enhanced descriptions resonates with my persistently vague comprehension of what, specifically, constitutes a marketing capability.

Yet definitions are fundamental (Hunt 2010). As a result, this chapter explores a related but relatively overlooked theory related to capabilities, evolutionary economics. In particular, I consider the conceptualization of routines, a construct both similar to and related to marketing capabilities, as a means of improving the description of the latter construct. The exploration of seminal definitional work on routines ultimately suggests the conceptualization of marketing capabilities as a two-dimensional construct.

### 5.1 Evolutionary Economics, Routines, and Implications for Marketing Capabilities

One result of the bibliometric and corpus analyses, for example, is the contrast between: 1) the steady presence of the RBV and related capabilities theories; and 2) the scarce mention of evolutionary economics (EE). While the latter is recognized as a foundation of organizational capabilities theory, it received no mention in the marketing-focused corpus - there was no bigram (two word token combination) of 'evolutionary economics' found using any form of the two

words. 'Evolutionary economics' was used as an author keyword just three times in the MC search data and not at all in the Day (1994) data.

Similarly, variants of 'routine' were found only three times in the MC search author keywords and twice in the Day (1994) citations. As mentioned previously, routines are a fundamental concept in EE; they are building blocks that store, transmit, and deploy the knowledge and skill the firm needs to thrive. Routine is a general term "for all regular and predictable behavioral patterns of firms" (Dosi and Marengo, 2007, p. 14). Nelson and Winter acknowledge, however, that routines reflect behaviour that is ordinarily effective but can vary based on environmental circumstances. They also note that the range of things a firm can do at any one time is typically uncertain prior to the actual exercise of firm effort (p. 52). The lack of attention given to routines in the corpus, therefore, suggests that these two nuances of routines - that they are contingent upon the environment and, therefore, uncertain - are not given consideration in the marketing capabilities literature.

These features of routines are important because organizational routines and organizational capabilities are highly similar concepts. They are "aggregate, collective phenomena" that require repetitious, organized activity (Salvato and Rerup, 2011, p. 470). Salvato and Rerup (2011) distinguish organizational capabilities from routines by saying the former are firm-level assemblages of the latter. Meanwhile, these authors say analysis of routines is at the group-level. That is, routines are collective - not individual - behaviours, but do not go so far as to capture the behaviours of the entire firm. This is a curious distinction as it calls into question the boundaries defining marketing capabilities. Most marketing capabilities tend to be behaviours carried out primarily by a particular functional area of the firm (e.g. Marketing, R&D, Logistics), though the

effects of these behaviours might be felt at the firm-level. By the Salvato and Rerup (2011) definition of organizational capabilities, most marketing capabilities would appear to be routines.

Given the conspicuous similarities and tenuous differences between capabilities and routines, I refer to the established research on routines to improve the description of marketing capabilities. In particular, I am interested in whether marketing capabilities are represented as potential courses of action or as enacted and assured behaviours. Potential courses of action are a priori. They are marketing capabilities captured as managerial estimations of the firm's ability to effect results. In essence they are managerial predictions of firm performance. Enacted behaviours are the complement to these predictions. They are the a posteriori assessment of the marketing capability, an assessment of action based on what has transpired.

Organizational routines are described in both ways. Therefore, I use descriptions of routines to discuss whether marketing capabilities are meant to capture the firm's perception of what it might do, with the commensurate expectations and uncertainty attached, or whether they intend to capture post hoc behaviours that are marketing capabilities enacted.

In this regard, Becker (2004)'s work defining organizational routines and their effects is apt to consider. Becker (2004) says routines are: 1) recurrent; 2) collective (multiple individuals linked via interaction; 3) "effortful accomplishments" i.e. humans actually complete the routines with some agency and, therefore, variation; 4) are processual in nature but different from processes in that they recur; 5) embedded and idiosyncratic to the firm; 6) path dependent; and 7) are

triggered by internal actors or external cues. These qualities all seem to match those of marketing capabilities and support the notion of those capabilities as higher order routines.

Many of the same characteristics can be found in descriptions of capabilities in, for example, the seminal Day (1994) paper. Day defines capabilities as "complex bundles of skills and collective learning, exercised through organizational processes that enable firms to coordinate activities and make use of their assets" (p. 38). This description is consistent with Becker's (2004) assertions that routines are processual and collective in nature. Day (1994) also notes that capabilities are resources that are "cultivated slowly over time" (p. 38) and enable the activities in a business process to be carried out (p. 38). These assertions imply that capabilities reflect effort toward a particular end and that they evolve in a path dependent fashion (i.e. they are "cultivated") over time. Furthermore, Day writes that capabilities "are so deeply embedded in organizational routines and practices that they cannot be traded or imitated" (p. 38). This statement asserts the context-dependent, embedded nature of capabilities that is similar to Becker's description of routines. Also, when referring to market sensing as a capability, Day describes frontline employee activity by noting that these actors "hear complaints or requests for new services and see the consequences of competitive activity, are motivated to inform management systematically" (p. 44). This example is consistent with Becker's (2004) description of routines as being triggered by firm actors or external cues (p. 653). Finally, in suggesting the use of Total Quality Methods (TQM) for the creation of capabilities, Day (1994) says that these methods work best with "repetitive and internally contained processes" (p. 47). He then argues that a difficulty posed to TQM implementations might be the reach of market-driven processes, suggesting that capabilities are nonetheless repetitive. A summary of the aforementioned

similarities between Becker's (2004) routines and Day's (1994) capabilities is provided in Table 8 (emphasis in bold).

**Table 8 – Comparison of Becker's (2004) Description of Routines and Day's (1994) Description of Capabilities**

Characteristics of Routines per Becker (2004)	Characteristics of Capabilities per Day (1994)
Collective	"complex bundles of skills and <b>collective</b> learning, exercised through organizational <b>processes</b> ..."
Processual	
Effortful	" <b>cultivated</b> slowly over time" enable the <b>activities</b> in a business process to be carried out
Path dependent	
Embedded, context-dependent	"are so deeply <b>embedded</b> in organizational routines and practices that they <b>cannot be traded or imitated</b> "
Triggered	Are deployed...
Recurrent	" <b>Repetitive</b> ...processes"

A full description of the concept of routines includes both managerial perceptions of what the firm can and might do, and the de facto behavioural patterns exhibited in coordinating and deploying resources. Per Becker (2004): "Two different interpretations of the term 'routines' are widespread in the literature: as behavioral regularities and as cognitive regularities. In the first case, routines are most precisely described as 'recurrent interaction patterns'. In the second case, 'routines are seen as rules, standard operating procedures, etc.'" (p. 662).

In other work on the description of routines, Hodgson (2003) proposes a third characterization of routines, asserting that routines are similar to individual habits. He writes: "Habits are formed

through repetition of action or thought. They are influenced by prior activity and have durable, self-sustaining qualities. Habits are the basis of both reflective and non-reflective behaviour. But habit does not mean behaviour; it is not itself a recurrent or repeated act" (p. 372). Instead Hodgson asserts that habits are submerged repertoires of potential behaviour that reflect a propensity to behave in a particular way and that routines reflect a similar propensity for action at the firm level. Both Becker's cognitive regularities and Hodgson's propensity for action assert, therefore, that routines include managers' mental representations of what the firm might do, not just what the firm has actually done.

There is support in the marketing literature for this conceptualization of the capabilities construct as a propensity for action, consistent with the just mentioned conceptualization of routines in the organizational capabilities literature. For example, Moorman and Slotegraaf (1999), consider marketing capabilities as options that are created by past firm investment. That is, capabilities can represent a potential that can be applied to future opportunities. This description is also consistent with Winter (2003), who says organizational capabilities confer decision options upon firm management. This means the (marketing) capabilities construct can capture: 1) recurrent activity patterns (i.e. cognitive and behavioural regularities) and the resources used therein; and 2) management's cognitive representations of those established patterns as potential courses of action for future deployment.

Provided with these two different assertions about the characteristics of marketing capabilities, it is logical to consider marketing capabilities as propensities for firm action. Capabilities are perceived and understood based on past behavioural and cognitive activity patterns at the firm. When they are considered evident based on past events, they become, in effect, managers' representations of embedded resources or established assets. They also, however, represent the

firm's capacity for acting in the future (cf. Amit and Shoemaker 1993). When the firm and its management look forward, marketing capabilities can be considered potential future activity patterns. In addition, these future patterns may be altered in form and in effectiveness, due to exposure to new environmental circumstances and by the application of firm learning from past behavioural patterns. Yet the dynamic of marketing capabilities that necessarily includes both patterns of activity and the related managerial perceptions of them is largely absent in the data. This suggests advancing more nuanced conceptualization of marketing capabilities.

## 5.2 Evidence Suggests a Single Dimension Construct

In my analysis of construct operationalization, the most frequently cited source in the adoption of marketing capabilities measures is Vorhies and Morgan (2005) . These authors generate eight specific marketing capabilities from the literature and field interviews. In their measure development, managers were asked to "identify and describe the marketing capabilities of their firms that they believed contributed most to creating value for customers and for the firm" (p.82). There is no evidence that managers were asked to relate the identified capabilities to the resources available to them or the routines enacted at their firms.

The Vorhies and Morgan (2005) measures were adopted or adapted 12 times in the construct operationalization dataset. I reviewed the marketing capabilities measures in each citing paper to understand how the nature of measures used portrayed the respondent's assessment. That is, whether the measure suggested the capture of activity patterns post hoc or a priori perceptions of the firm's propensity to carry out a marketing capability. In no case are marketing capabilities operationalized as both a managerial perception of the firm's propensity for action and an assessment of past patterns of behaviour. In most papers, the assessment of marketing



capabilities themselves seems to be contemporary with the respondent's evaluation. Presumably, this means the respondent is using his or her reflections upon recent, past performances (i.e. actual behaviour patterns) to provide an assessment. For example, Ngo and O'Cass (2012) ask respondents to "Please rate your business unit, relative to your major competitors in terms of its marketing capabilities over the past year in the following areas" (p. 868). Other instructions are less specific but seem to refer to contemporary circumstances e.g. "Indicate your agreement with each of the following statements with respect to the marketing capability of your company relative to major competitor." (Chang, Park and Chaib, 2010, p. 854) and "Please rate your company relative to your major competitors in terms of its capabilities in the following areas:" (Kemper et al. , 2013, p. 1958) .

In no case was the respondent asked to specifically consider future deployments of capabilities. In only one paper (Gooner et al. 2011) did the researchers measure outcomes subsequent to the collection of marketing capabilities assessments. All other research collected cross-sectional data that referred to past performance or were unclear about the timing of the marketing capabilities measure in relation to the outcome measure. In all twelve studies, marketing capabilities were used as predictors of some firm-level performance measure.

The implication of these measures is that marketing capabilities are typically considered a uni-dimensional construct and operationalized as such. That is, respondents are typically asked to evaluate their perceptions of the firm's marketing capabilities, but it is not clear whether these assessments are based on forward-looking expectations or past events. Instead, these measures implicitly include managerial perceptions. They do not explicitly disentangle the manager's perception of the firm's propensity for action from the actions themselves. This is perhaps further compounded by the frequent use of a single informant in the research designs. The net

effect is a holistic assessment of marketing capability that neglects the important nuance of interconnections between its two distinct parts, and fails to explicitly account for managerial perceptions as one of these essential parts.

Interestingly, Vorhies and Morgan (2005) indirectly acknowledge the dual nature of marketing capabilities in their paper. They use a subjective measure of firm profitability that captures both current and anticipated outcomes. In this way they hint that respondents' conceptions and assessments of marketing capabilities can include both past enactments and future possibilities. Alas, they appear to combine this performance measure into a single variable in their analysis. In addition, their use of differently timed outcomes of marketing capabilities reveals its inherent duality but does nothing to clarify it.

Further evidence of this rhetorical stance is explored in chapter 6, where the role of the manager in the operationalization of marketing capabilities is examined. Managers are typically characterized by activity, not cognition, in the corpus. Managers are "doers" yet they are also assumed to be knowledgeable about the deeply embedded, possibly hidden marketing capabilities of their firms. Additionally, and perhaps a cause for more caution, is managers are assumed to understand their competitors deeply embedded, possibly hidden marketing capabilities and the balance of the environment external to the firm.

### 5.3 Discussion of Marketing Capabilities as a Two-Dimensional Construct

Framing marketing capabilities as de facto behaviour patterns lets researchers use measures that capture the construct in a straightforward way but also has them lose sight of the nature of the construct itself. Marketing capabilities are analogous to routines. The only apparent distinction between the two is a difference in the magnitude of activity. Capabilities appear to be larger,

though it is unclear how to measure this difference in size. In addition, Day (1994) says capabilities are embedded within routines. This suggests a link but does not explain how one construct might encompass the other. Nevertheless, the analogy of routines implies there are two dimensions to marketing capabilities: 1) a managerial perception of the firm's propensity for action and, 2) actual cognitive and behavioural activity patterns that are enacted based on managerial perception, and serve to form the basis for ensuing perceptions of firm marketing capability. These two dimensions are also supported in the organizational capabilities literature and, in a limited way, by some work in the marketing domain.

The dominant focus in the marketing domain is on the direct relationship between marketing capabilities and measures of firm performance. This is reflected in the popularity of performance-related author keywords in the bibliometric data and the use of the term in the corpus. For example, firm-level performance and competitive advantage are focal topics in Figures 1 and 2. Much of the work in marketing capabilities appears to be about establishing their direct link to firm-level outcomes and not about improving descriptions of the construct, in general. The result of this focus is the dual nature of marketing capabilities has been overlooked. Because marketing capabilities are operationalized in order to predict performance, they are captured as de facto activity patterns, immediately antecedent to performance. Therefore, the a priori managerial expectations of resource deployment that would seem at the very heart of capabilities theory - the manager's assessment of the firm's propensity for action - is ignored.

The popular operationalizations of marketing capabilities also appear to depart from their theoretical roots in at three ways. First, measures of marketing capabilities typically do not include clear intermediate ends (cf. Amit and Schoemaker, 1993). For example, the frequently-used Vorhies and Morgan (2005) measures use items such as "Doing an effective job of pricing

products/services" under Pricing Capability and "Providing effective sales support to the sales force" under Selling Capability. Neither provides a distinct end to mark the completion of routines or processes that would ostensibly signify the achievement of an intermediate end. The use of the terms "effective job" and "effective sales support" leave both the means of achievement and the standards for effectiveness open to interpretation. Nor do these items necessarily refer to recurring activity patterns at the firm.

Second, measures of marketing capability do not seem to align with the RBV and related capabilities' conceptualizations of the components of capabilities. If marketing capabilities are marked by learning, skills, and process as per Day (1994) or tangible and intangible assets per Barney (1991), then it is sometimes difficult to match these types of resources to items provided in the measures. Again, using Vorhies and Morgan (2005) as an example, items such as "Ability to develop new products/services" under Product Development Capability and "Providing high levels of service support to distributors" under Channel Management are not clear as to what type of resources these items represent. Indeed, it is possible to conceive of an item like "Ability to develop new products/services" as marketing capability by itself. While capabilities can be considered resources (Barney 1991) and can be conceived as impacting other resources and capabilities (Mihi-Ramirez et al. 2011), it is difficult to understand the effectiveness of capturing one construct using another, similar construct. [See Appendix 3 for a full listing of Vorhies and Morgan (2005) Marketing Capability Measures]

A third concern with current conceptualizations of marketing capabilities is the lack of distinction from routines. If marketing capabilities are larger scale units of analysis characterized by firm-level purpose per Salvato and Rerup (2011), then it may be useful distinguish between the purposes of marketing capabilities and the routines they may include or be embedded within.

To do so requires the evident purpose of both constructs. That is, the intermediate ends of marketing capabilities are a necessary definitional component of the construct. Defining marketing capabilities and routines by their effects on firm-level performance is tautological. A description of the immediate purpose behind the deployment of a marketing capabilities or a routine is more suitable.

#### 5.4 Suggestions for Improving the Description of Marketing Capabilities

In light of the theoretical and normative duality of marketing capabilities, I propose amendments to the description and operationalization of the construct. First, marketing capabilities descriptions should include two things: 1) the de facto exercise of firm skill and knowledge via process; and 2) management's a priori perceptions of the firm's propensity for action in this regard. The theory of marketing capabilities compels this duality. It also has implications for the operationalization of marketing capabilities. Measures should include both informants' a priori expectations and their post hoc assessments of marketing capabilities. For example, a measure of a firm's capability in setting prices (surely a marketing-related capability) should include questions about what managers expect from the enactment of a pricing initiative e.g. will the initiative be completed in a timely fashion? What is the expected customer response? How effective will firm actors be at formulating and communicating the new price policy? The measure should also include a subsequent capture of the results of the initiative e.g. did salespeople effectively communicate the reasons for the price change? Did customers respond in

an understanding or acceptable fashion? Was the market timing of the announcement appropriate?

Both dimensions likely require processual, path-dependent, and collective action. A priori perceptions of the firm's propensity for action, however, may have different effects on firm performance than actual deployments of marketing capabilities. Future research using a two-dimensional measure of marketing capabilities would, therefore, contribute to our understanding and development of the research area.

Second, a firm's marketing capability, whether conceived of as a general, single-dimension capability (e.g. 'Marketing Capability') or a set of more specific, related capabilities that capture the construct in a multi-dimensional way (e.g. 'Pricing Capability', 'Channel Management Capability', etc.), needs to be identified by its purpose (intermediate end). For example, an 'end' of Vorhies and Morgan (2005)'s Pricing Capability might be "devising prices that meet target market preferences". This kind of operationalization describes a clear end to the exercise of the capability and sets it apart from smaller routines that might occur as subsets of the capability (e.g. costing of deals, preparing quotations). Admittedly, crafting an aim for marketing capability as a general, single construct is more difficult and may signal the need to develop a lexicon of marketing capabilities instead of relying on a general, single-dimension construct.

The conceptualization of marketing capabilities as two-dimensional construct is not necessarily a new idea, but it does return the construct to its theoretical roots. In addition, it highlights how the

domain may have lost sight of the nature of marketing capabilities in its interest to measure them.

The dual nature of marketing capabilities has further implications for theory and operationalization. In adding managerial perception of the firm's propensity for action to the construct, the role of the manager in marketing capabilities theory is given the attention it merits. As demonstrated, marketing capabilities are traditionally something the firm does. Measures of the things the firm does, then, use managers to assess those things. The re-conceptualization of marketing capabilities as a two-dimensional construct puts these managers at the centre of the construct. Two-dimensional marketing capabilities mean that managerial assessments are no longer merely a key informant technique for determining levels of enacted marketing capabilities. Managers' perceptions of the firm's capabilities now matter a priori as well. Consequently, the manager's role in understanding the firm's marketing capabilities and its environment is explored in chapter 6.

## 6. THE CASE FOR INTERMEDIATE ENDS AND ABSOLUTE MEASURES OF MARKETING CAPABILITIES

Having established a case for a second dimension of marketing capabilities - managerial perceptions of firm propensity for action - I now explore a corollary topic: how does the marketing capabilities literature portray the manager? Are managers' perceptions of the firm's marketing capabilities and environment accounted for in research? Are there contradictions concerning the role of the manager? The analysis of construct operationalization in chapter 5 suggests researchers tend to ask managers - as key informants - to assess firm marketing capabilities post hoc. But does research account for the perceptions they form prior to deployment of marketing capabilities?

This chapter looks more specifically at the manager's role. A focus is placed on the manager's capacity for knowing and understanding the firm's environment and, particularly, its competitors. This line of enquiry has implications for both how we describe the marketing capabilities construct and how we measure it. To begin, I discuss some important theoretical foundations of capabilities, concentrating on how the manager is situated within them. Relevant details from the organizational strategy literature are incorporated to provide a basis for conceptualizations of managers in the marketing capabilities domain. I then explore the extant capability measures and corpus data for perspectives on the manager in the marketing literature, followed by a discussion of implications.

### 6.1 Theoretical Descriptions of Capabilities

As previously chronicled, Day (1994) says capabilities are "so deeply embedded in the organizational routines and practices that they cannot be traded or imitated (Dierckx and Cool



1989)" (p. 38). He also states: "Because capabilities are deeply embedded within the fabric of the organization, they can be hard for the management to identify." (p. 38). These statements suggest a degree of uncertainty about the manager's understanding of his or her own firm's capabilities.

It is difficult to know what Day means by 'deeply embedded'. He may mean that cognition and behaviour is so ingrained in the firm (e.g. via culture) that managers no longer consider alternative patterns of thinking and doing. That is, capabilities are obscured because they don't seem like choices to be deployed. They are just 'the way things are done'. Or, he could mean that cognitive and behavioural patterns that form a capability are far-flung within the organization and therefore difficult for managers to observe and to piece together as a single concept. In either case, his seminal contribution clearly posits that capabilities are idiosyncratic, embedded, and hard to identify. As such, doubts about the manager's ability to detect capabilities seem to support the relevance of my proposed second dimension for the construct. It also provokes questions about whether research should rely on managerial assessments of marketing capabilities post hoc when there are inherent difficulties for managers to identify capabilities in the first place.

The challenge of identifying marketing capabilities is compounded by research that suggests there are interactions between variations of the marketing capabilities construct itself. For example, firm selling activities are found to be influenced by other marketing variables (Cron et al. 2014). Marketing capabilities themselves have interactive effects, too (Gooner et al. 2011). Marketing capabilities also appear to be influenced by organizational and environmental context. The complicated relationships between different types of marketing capabilities further substantiate the need to separate managerial perceptions of firm propensities from the actual

manner in which they are conducted. It seems incompatible to presume that managerial perception of firm marketing capability is equivalent to their actual enactments.

## 6.2 Enter the Boundedly Rational Manager

Day agrees. In a different paper published the same year as CMDO, Day (1994) says managers have sensible but imperfect perceptions of markets, biased by past experiences. He also allows that markets themselves are not "unambiguous realities" (p. 31). That is, managers are boundedly rational: unable to make perfectly reasoned decisions in the presence of uncertain information and due to their limited ability to process complex circumstances (Simon 1979). Day's (1994) stance on the manager corresponds with the idea of the boundedly rational manager and his view of the environment with the embedded, idiosyncratic nature of capabilities.

These individual limitations imposed on managers are also postulated to transfer to the firm-level within the capabilities literature. Kogut and Zander (1992) describe the importance of knowledge generation via a firm's combinative capabilities, i.e. the ability to form new knowledge by combining existing resources. This is an important paper (cf. Table 1), that recognizes knowledge generation is difficult because it relies on sharing information that is often hard to codify and transmit. That is, the social construction of firm knowledge is subject to, among other things, conditions of bounded rationality. So, while capabilities may be powerful, firm-level means of creating and employing firm knowledge and skill, understanding both what is intended in their deployment and what actually happens when they are deployed is vulnerable to the perceptions of boundedly rational managers.

In view of these depictions of managers, limited in their ability to reason in a complex environment, it seems natural to wonder how the marketing capabilities literature portrays the

firm's environment and competitors as well. Managers are often asked to compare their firm to competitors when marketing capabilities are operationalized in research (e.g. in the measures by Vorhies and Morgan, 2005). The idea that firm managers can perceive competitor marketing capabilities, let alone compare them, seems questionable provided their own limitations, let alone the complexity of their surroundings. Accurate perception of obscure phenomena within a competitive organization would seem to be in contradiction of the definition of capabilities as deeply embedded and idiosyncratic. If marketing capabilities are relatively obscure phenomena within one's own organization, it is difficult to think that managers can ably assess the same phenomena within a less familiar competitor's organization.

The idea presented here is that knowledge, at both the individual manager and firm level, is typically imperfect in the business context, due to the cognitive and social limitations of human nature. Knowing about marketing capabilities – their limits, their effects, their relative value versus competitors, etc. - appears to be a difficult task for managers, particularly in complicated environmental circumstances.

### 6.3 The Contradictory, Direct Link between Marketing Capabilities and Performance

Yet Day (1994)'s reference to 'distinctive capabilities' implies that marketing capabilities can be traced directly to firm performance. Day says distinctive capabilities are "valuable and difficult to match" (p. 39). He goes on to say: "the most defensible test of the distinctiveness of a capability is whether it makes a disproportionate contribution to the provision of superior customer value - as defined from the customer's perspective - or permits the business to deliver value to customers in an appreciably more cost-effective way. In this respect a distinctive

capability functions like a key success factor." (p. 39). One ramification of these passages is the capabilities of market-driven firms appear to be linked directly to firm performance.

The connection between capabilities and performance in CMDO, however, is hazy. Day (1994) uses capabilities and competences interchangeably. His description of distinctive capabilities can be linked to his mention of 'distinctive competences' (Selznick 1957) as a foundational influence on RBV and capabilities theories (p. 38). The similarity of these two phrases may create confusion about the nature of marketing capabilities. The term 'distinctive competence' was introduced to the sociology literature by Selznick's *Leadership in Administration: A Sociological Interpretation* to describe "the infusion of means with shared ends" (Dosi 2002, p. 5). In this way, Selznick was more concerned with the values espoused by the organization when its leaders work to foster organizational character and values. Dosi et al. (2002) say, "the idea of distinctive competence seems to be at least as close a relative of the organization's mission statement, or perhaps its 'strategic intent' (Hamel and Prahalad 1989) as of its capabilities." (p. 5).

Further use of 'distinctive competencies' appears in Hrebiniak and Snow (1980), where they say "the term distinctive competencies, first used by Selznick (1957) to describe the character of an organization, refers to those things that an organization does especially well in comparison to its competitors (Selznick 1949, 1952, 1957:49)" (Jones et al. 1997, p. 317). It appears that Day (1994)'s 'distinctive capabilities' and Snow and Hrebiniak's 'distinctive competences' each tie things the firm does - activity patterns akin to capabilities - directly to firm performance. As a result, both are closer in meaning to each other than either are to Selznick (1957). In this way the idea of distinctive competence or capabilities has drifted in meaning over time. The notional

direct ties between marketing capabilities and firm performance appear to have been formed more by the descriptions provided by Day or Snow and Hrebiniak than by Selznick.

The idea of isolating and evaluating marketing capabilities in comparison with those of competitors', however, seems ill-equipped to weather research that supports the aforementioned interactive effects of marketing capabilities, not to mention established interactions with other constructs (e.g. MO cf. Morgan, 2009). The use of the descriptor 'distinctive' to describe certain types of capabilities appears to have transformed them to a point of oversimplification. From early on in its existence in the marketing domain, all forms of the marketing capabilities construct seem to have taken on this direct link to the competition. The perception of marketing capabilities in relation to firm context seems theoretically straightforward yet practically complex. For these reasons I am interested in: 1) what are the depictions of managers and their perceptions? And 2) how are competitors and the firm environment described in the data?

## 6.4 Data Analysis

### 6.4.1 Corpus Views of the Manager

I begin with an exploration of the depiction of managers in the corpus. I searched for the terms "manager", "managers", "leader\*", and "executive\*". Search terms with wildcards (\*) returned all forms (e.g. leaders, leadership, executives). The returns for each of the four searches occur 818, 2864, 1426 and 1049 times, respectively, in the corpus. The verb use in the concordances generated by each of these search returns was analyzed using the Natural Language Programming Toolkit (Bird et al. 2009) to tag parts of speech (POS) in each concordance line. All verb word tokens that occurred five or more times were compiled from the concordances. Note this represents a very deep search for verbs that signal managerial cognition. Five

occurrences of a word in a 4.4 million-word corpus is an insignificant usage rate, so while no corpus analysis can be completely exhaustive, this analysis is extensive. I categorized each verb used by its connotation i.e. whether it would depict managers as engaged in an act of thinking or doing.

My analysis indicates an emphasis in the corpus on managers acting rather than thinking. For example, only two thinking verbs - understand (n=36) and consider (n=33) - were used more than 30 times in concordances with 'managers' while there are more - make, develop, provide, help - that connote action (see Table 9). As would perhaps be expected there are more linking verbs (e.g. is, be, were) than any other type. There is, nonetheless, a remarkable shortage of action verbs that refer to managers' cognition.

Table 10 summarizes the frequency of use for the two categories of verbs (those related to action or thinking) used in conjunction with word tokens that refer to managers. The relative frequency with which managers are said to be using their cognitive powers (e.g. think, understand, identify) versus carrying out an activity (cf. Table 9 - make, develop, provide) is low. This suggests that, when considering managers as particular, real-life individuals or small groups, instead of as generalized abstractions of the firm's management team, the authors of the corpus largely consider managers as actors in the events of the firm rather than its brain trust. Managers are depicted as those performing some of the actions needed by the firm rather than as those who make sense of its environment and formulate plans associated with response to it.

**Table 9 - Verbs used 30 or More Times in the Corpus-generates Concordance for 'managers'**

Verb	Count
Are	260
Document	217
Is	198
Be	161
Have	152
Were	147
Need	62
Was	49
Make	48
Has	41
Develop	41
Do	39
Provide	38
Understand	36
Help	35
Consider	33
Had	33

**Table 10 - Verbs use associated with managers in the corpus**

<b>Frequencies</b>	<b>"manager" (818 concordance lines)</b>	<b>"managers" (2864 concordance lines)</b>	<b>"leader*" (1426 concordance lines)</b>	<b>"executiv*" (1049 concordance lines)</b>
Verbs with Cognitive Connotation, occurring five or more times	6	195	42	26
Verbs with Activity Connotation, occurring five or more times	353	3276	890	460
Examples	think	Understand, consider, identify, recognize, know, learn, assess, learning, believed, considered, perceived, study	Thought, learn, investigate, recognize, identify, perceived, recognized	Scanning, identify, found, knows

A compilation of adjectives used in the same concordances was also analyzed. Table 11 shows adjectives used ten or more times in the corpus. This data suggests the managers in the corpus primarily occupy upper-level positions in their organization because they can be characterized, by and large, as senior managers (e.g. executive, chief, senior, top, etc.). Other than adjectives that describe the rank of the manager and those that designate their gender (likely an artifact of



recounting sample characteristics in these academic papers), there is little to report about adjectives used to describe managers in the corpus.

**Table 11 - Adjective use associated with managers in the corpus**

<b>Adjective</b>	<b>Count</b>
Executive	263
Senior	77
Chief	71
Female	63
Top	47
Male	40
executives'	19
Competitive	18
Such	15
Quarterly	14
Other	13
non-executive	13
Corporate	13
Able	12
Key	12
Technological	11
Strategic	10
New	10

In addition, given the idea of boundedly rational managers, a search for variations of this phrase ('bound\* rational\*') was performed. Forms of this bigram occur 24 times in just 14 of the 504 papers in the corpus [A full list of these twenty-four concordances is provided in Appendix 4]. Only one of these papers appears to refer to bounded rationality in direct relation to capabilities.

Alas, it is about technological, not marketing capabilities. The passage does, however, resonate with the issues presented here about managers' ability to determine competitor capabilities:

“Technological capabilities relate to firm-specific tacit knowledge and complex routines which may act as an effective barrier against imitation (Nelson and Winter, 1982; Spender 1996).

Knowledge which is idiosyncratic to the organization is often tacit, proximal and requires social interaction for transmission (Szulanski, 1996), thereby making imitation by competitors difficult (Kogut and Zander, 1992; Zander and Kogut, 1995). Complex routines also generate knowledge that may be ill-structured (Simon, 1973), and which, due to the presence of bounded rationality, creates sub-optimisation, poor imitability and superior rents for the firm possessing the resources (Reed and DeFillippi, 1990).” (Lawson et al. 2012, p. 421).

This reinforces the idea that capabilities are socially constructed, complex and difficult for managers to identify. At least technological capabilities are. Judging by these results, however, there appears to be relatively little description - when using the aforementioned terms to represent managers - of the behaviours and perceptions of the individuals or groups that run firms and deploy capabilities.

I also queried the more pervasive word token 'management'. This term appears 15,717 times in the corpus.<sup>4</sup> There are 409 collocations that both occur 30 or more times (within 5 tokens to the right or left of the focal term) and have Mutual Information (MI) scores greater than 3.0. MI is a measure of collocational strength of two word tokens. Any score greater than 3.0 is typically

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<sup>4</sup> The ability to use this noun to label a group of individuals at the firm (my central interest), as a set of practices that organize and operate the firm, or as a label that applies to a variety of academic research areas accounts for its ubiquity in the corpus.

considered to indicate that the two independent tokens do not merely occur beside each other by chance. A score of 3.0 reflects the observed collocation occurrence is eight times greater than would be expected based on the distribution of word tokens (Hardie 2015).

To narrow the exploration, I reviewed the top 409 collocations and chose a strategic sample of collocations that relate to the issue at hand - how the perceptions and activity of managers are portrayed. I generated concordances based on six collocates of 'management' that seem to logically relate to the manager's perception of the firm environment. The word tokens chosen were 'market' (the 41<sup>st</sup> most frequent collocation to 'management'), 'competitive' (53<sup>rd</sup>), 'markets' (219<sup>th</sup>), 'environmental' (240<sup>th</sup>), 'environment' (407<sup>th</sup>), and 'competition' (571<sup>st</sup>). The result was 720 concordance lines.

Upon review, little was revealed about the nature of management's role. In most cases, the token 'management' referred to a set of management activities (e.g. product management) or formed part of a journal title (e.g. Journal of Management, Strategic Management Journal; the term 'journal' occurs 233 times in the 720 concordances). That is 'management' does not seem to be used very often to refer to the cadre of people at the firm whose perception of firm propensities and environmental dynamics are central to marketing capabilities theory. Indeed, the possessive 'management's' is used only once in the corpus and not in a context relevant to my exploration.

#### 6.4.2 Corpus Views of the Competition

To further understand how the literature frames understanding and knowledge of the firm environment, I explored the various parts of speech related to competition (i.e. as a noun - competition, competitor(s), as a verb - compete/competing/competed/competes, and as an adjective - competitive). The term 'competition' is used, in general, to describe the set of

activities that characterize a market. Of the 1682 occurrences of 'competition' in the corpus, only 140 refer to 'the competition' and, even in these cases, most refer to market activity (e.g. "Intensifying the competition in a turbulent environment") or a generic element of the firm's environment as opposed to specific competitors. The phrase "our competition" is used just once and "their competition" is used only nine times.

A search on 'competitor\*' returned 2372 occurrences. Again, many of these instances do not refer to specific competitors of the firm. For example, of the 574 instances of the form 'competitor', 27.4% of the instances (157 instances) referred a theoretical construct, 'competitor orientation'.

Exploration of the word token 'competitors' (i.e. plural) reveals more about the role they play in the literature. Top collocates, based on MI scores of the 1795 instances of 'competitors' are listed in Table 12. These word tokens reveal how the literature considers competitors as a comparator. For example, 'worse', 'imitate', 'compared', 'relative', 'better', 'than', and 'comparison' are among the top ten words used in conjunction with 'competitors'. The use of competitors as a basis for measuring the firm implies that the firm is expected to know and be able to make sense of its environment. This echoes Day's (1994) 'sensible' characterization of managerial perception but it does not address the 'imperfect' aspect of the same.

**Table 12 - Top Collocations of 'competitors' by MI Score (>3.0)**

Rank	Frequency (Total)	Frequency within 5 Tokens to the Left	Frequency with 5 Tokens to the Right	MI Score	Word Token
1	48	38	10	9.74	Worse
2	30	5	25	8.54	Imitate
3	102	73	29	8.49	Your
4	78	65	13	7.95	Compared

5	121	65	56	7.71	Much
6	108	103	5	7.56	Relative
7	134	83	51	7.33	Better
8	83	74	9	7.30	Major
9	47	13	34	7.07	Actions
10	94	47	47	7.02	competitors
11	276	215	61	6.91	Than
12	32	30	2	6.90	comparison
13	65	53	12	6.70	Main
14	54	32	22	6.67	Suppliers
15	179	144	35	6.58	customers
16	30	7	23	6.42	pricing
17	104	83	21	6.18	about
18	36	30	6	6.16	top
19	199	168	31	5.87	its
20	31	22	9	5.86	consumers
21	172	125	47	5.78	our
22	104	49	55	5.70	products
23	41	21	20	5.62	changes
24	47	42	5	5.62	those
25	52	42	10	5.57	over
26	39	13	26	5.49	scale
27	205	155	50	5.33	their
28	43	13	30	5.21	strategies
29	46	22	24	5.09	activities
30	92	70	22	5.07	information
31	40	31	9	5.03	three
32	30	19	11	5.02	needs
33	53	30	23	5.00	company
34	36	23	13	4.97	potential
35	97	52	45	4.63	more
36	166	123	43	4.63	from

37	62	30	32	4.57	other
38	32	7	25	4.51	thus
39	73	62	11	4.50	knowledge
40	52	27	25	4.45	markets
41	35	27	8	4.37	advantage
42	191	130	61	4.32	with
43	152	114	38	4.31	by
44	104	53	51	4.26	new
45	729	438	291	4.25	to
46	98	49	49	4.21	or
47	55	29	26	4.19	customer
48	55	23	32	4.16	they
49	45	18	27	4.11	such
50	31	10	21	4.10	will
51	157	69	88	4.02	market
52	39	22	17	4.01	competitive
53	38	14	24	3.98	industry
54	145	60	85	3.96	are
55	56	17	39	3.91	can
56	66	26	40	3.88	product
57	40	16	24	3.88	may
58	91	21	70	3.83	we
59	43	14	29	3.81	also
60	56	16	40	3.73	have
61	45	30	15	3.71	Ô Årm
62	60	26	34	3.70	not
63	819	334	485	3.66	and
64	79	30	49	3.63	it
65	46	23	23	3.52	firm
66	125	62	63	3.45	as
67	389	109	280	3.43	in
68	34	8	26	3.41	et

69	35	19	16	3.38	firms
70	69	38	31	3.34	be
71	56	33	23	3.34	performance
72	34	6	28	3.31	these
73	58	28	30	3.28	capabilities
74	145	92	53	3.24	for
75	30	9	21	3.22	al
76	103	51	52	3.18	on
77	143	87	56	3.15	that
78	34	18	16	3.12	which
79	135	40	95	3.08	is
80	69	6	63	3.07	this
81	31	14	17	3.06	Capability
82	509	334	175	3.03	Of

In addition, the collocation of 'capabilities' (MI = 3.28) and 'capability' (MI = 3.06) are notable in 73<sup>rd</sup> and 81<sup>st</sup> place. Table 13 provides a list of the concordances where 'competitors' are collocated with 'capabilities' or 'capability'. Over half (45/82) concordances that have collocates of 'competitors' with 'capabilities' or 'capability' suggest a direct comparison of firm capabilities with those capabilities of competitors. The preponderance of these comparisons come from items belonging to measures. This suggests that researchers assume firms can identify and assess capability or capabilities, when mentioned in proximity to mention of competitors.

**Table 13 - Concordances of 'competitors' with 'capabilities' and 'capability' (100 characters per line) that Compare Firm and Competitor Capabilities Directly**

'capabilities' and 'competitors'
change relationships between researchers of the ecosystem (Podolny and Page, 2003). Knowledge about capabilities and scientific networks of competitors is pertinent to make strategic choices. Research

asked respondents to rate the strength of their firm's marketing and technological capabilities relative to their competitors' at the time of the survey in 2008 (five-point
Lioukas's (2001) seven-item measurement scale. Self-reported measures of a firm's capabilities relative to competitors' are well accepted (e.g., Danneels 2008; DeSarbo et al. 2005).
than competitors). The firms were asked to consider the assessing their export marketing capabilities relative to major competitors in the export markets. Market orientation was examined w
knowledge of our competitors' weaknesses. 10. We look for ways to differentiate ourselves from competitors. 11. We comprehend our competitors' capabilities. Inter-functional co-ordination 1. We
Ariables Respondents were asked to indicate their perception of international marketing capabilities when compared to their competitors in overseas markets. Appendix shows the spe
a competitive advantage generally suggests that an organization can have one or more capabilities when compared to its competitors. In today's competitive business environment,
endix Table 5 Measurement scales Marketing Capabilities: Please rate your firm's export marketing capabilities, relative to your major competitors (in this export market) in the following areas:
areas: Seven-point scale running -3 (Much Worse than Competitors) to +3 (Much Better than Competitors). Architectural marketing capabilities Marketing planning Export marketing planning ski
, -3 and 7 = -much better than competitors' ) 5. Please rate your company compared with your major competitors in terms of its capabilities in the following areas. a. Using pricing skills
, -3 and 7 = -much better than competitors' • ) 6. Please rate your company compared with your major competitors in terms of its capabilities in the following areas. a. Ability to develop
, -3 and 7 = -much better than competitors' ) 7. Please rate your company compared with your major competitors in terms of its capabilities in the following areas. a. Strength of relationships
, -3 and 7 = -much better than competitors' ) 8. Please rate your company compared with your major competitors in terms of its .83 .83 .63 capabilities in the following areas. a. Developing and
to several items (ranging from two for financial resources to five for informational capabilities) compared with main direct competitors in the overseas venture mar- kets. Table 1 descr



scales used in this research to benchmark their website customer orientation and marketing capabilities vis-à-vis competitors to identify their comparative strengths and weakness from the
areas. Seven-point scale with -3 (much worse than competitors) to +3 (much better than competitors) scale anchors. Pricing capabilities Copyright © 2009 John Wiley & Sons, Ltd. Strat. M
other words, it means that firms understand the strong and weak sides of competitors in short-term, and capabilities and strategies of current and potential competitor in
itates making innovations (Han et al., 1998). Because competitor orientation compares the firm's own capabilities with their competitors' capabilities and then it causes the firm to develop their
will need them most. Our expectations about organizational strategy types and market-linking capabilities (relative to competitors) can be summarized as follows: H1: Along the prospectors' anal
II, Japanese firms have closed the gap between themselves and their U.S. competitors in terms of marketing capabilities, in some industries surpassing them. As an example,
across all four strategic types, managers from U.S. firms rated their technical capabilities (relative to competitors) substantially lower than did their Japanese or Chinese counterparts
that this selected business unit performs the specific activities or possesses the specific capabilities relative to your major competitors. (11-point scale: 0 = "much worse than your major co
. (11-point scale: 0 = "much worse than your major competitors"; 10 = "much better than your major competitors") Measurement Items Market-sensing capabilities Customer-linking capabilities (i.e.,
that this selected business unit performs the specific activities or possesses the specific capabilities relative to your major competitors. (11-point scale: 0 = "much worse than your major co
that this selected business unit performs the specific activities or possesses the specific capabilities relative to your major competitors. (11-point scale: 0 = "much worse than your major co
that this selected business unit performs the specific activities or possesses the specific capabilities relative to your major competitors. (11-point scale: 0 = "much worse than your major co
etc.) Eigenvalue of this factor % variance explained by this factor Construct reliability Marketing capabilities Knowledge of competitors Effectiveness of advertising programs Integration of marketing
: 0=Much worse than your top three competitors; 10=Much better than your top three competitors.) (construct reliability=0.97) Information technology capabilities (new scale) Please ev

: 0=Much worse than your top three competitors; 10=Much better than your top three competitors.) (construct reliability=0.83) Market-linking capabilities (Day, 1994) Please evaluate
: 0=Much worse than your top three competitors; 10= Much better than your top three competitors.) (construct reliability=0.84) Marketing capabilities (Conant et al., 1990) Please eval
reating durable relationships with channel members such as wholesalers, retailers, etc.) Marketing capabilities Knowledge of competitors Effectiveness of advertising programs Integration of marketin
worseâ€"(7) much better than competitors) Please rate your company relative to your major competitors in terms of its capabilities in the following areas: $\alpha = .84$ CR = .84 AVE = .58 5a
worseâ€"(7) much better than competitors) Please rate your company relative to your major competitors in terms of its capabilities in the following areas: $\alpha = .86$ CR = .88 AVE = .59 6a
'capability' and 'competitors'
the other two focus on skill in response to the pricing strategy of their competitors. Product capability measures social enterprises, " ability to develop and launch products
development capability denotes in this research capability to develop new innovations different from competitors, capability to improve current products and services and capability to use innovations d
successful business 4 Development capability C10 Capability to develop new innovations different from competitors C11 Capability to improve current products and services C12 Capability to use innovation
ROS) Market performance Market share Jayachandran 2008). With superior production capability, firms can outperform their competitors in manufacturing activities and provide consumer
example, the success of Apple is not only because it has more superior marketing capability than its major competitors such as Samsung and Sony Ericson in terms of, for
to competitive advantage (Day 1994). Exporting manufacturers that possess superior informational capability relative to competitors are more likely to develop broader and more accurate knowledge of
ducts than competitors Independent variables Capability R&D 0.83 Better product (or service) R&D capability than competitors Better capability to continually improve product (or service) functions
characteristics Sub-industry Market turbulence 0.81 Technology turbulence 0.83 services) than competitors Better marketing or sales capability than competitors Better reputation for customer se
Marketing Manufacture Supplier Customer Competitor URI Capability Better product (or service) R&D capability than competitors Better capability to continually improve product (or service) function

han competitors More efficient operation of the distribution system of products (or services) than competitors Better marketing or sales capability than competitors Better reputation for customer
are customer-driven) is unique to your firm/division when compared to your relevant competitors?,À A capability score for CDD is computed next by multiplying the summated score with
. Marketing Capabilities (5 = strongly agree, 1 = strongly disagree) Relative to your firm,Às major competitors: Pricing Capability CR=.80, AVE=.56 1. We respond quickly to competitors,À pricing tactic

Verb forms of 'compete' occur 935 times in the corpus. Most instances refer to firm-level competition with that competition located in markets, segments, or industries. Only 27 instances of 'competed' occurred while 446 instances of 'competing' occurred. 'Competing' is a progressive tense verb form, typically used to show ongoing action. This suggests the corpus deals with competition as an abstraction more often than it cites specific instances or circumstances of competition in the firm's experience or the manager's specific knowledge of the competition or environment.

Use of the adjective 'competitive' occurs most often in conjunction with 'advantage'. There are 5980 instances of 'competitive' in the corpus and 3111 instances (52.0%) are situated beside 'advantage'. The mutual information (MI) score for 'competitive advantage' is 8.92 (please recall MI is a measure of collocational strength of two word tokens and that any score greater than 3.0 indicates that the two independent tokens do not merely occur beside each other by chance). The relatively frequent occurrence of 'competitive advantage' can be closely associated with the bibliometric keyword findings in chapter 1 (cf. Figure 1 and Figure 2). In addition, other high collocates (5R/5L) of 'competitive' include 'sustainable', 'sustained', and 'sustaining' further highlighting the use of this term to indicate achievement of a desirable market position related to

performance e.g. 'sustainable competitive advantage' and 'sustained competitive advantage' occur a combined 933 times in the corpus).

The term "competitive intelligence" occurs 96 times. However 73 of these instances occur in a single paper: *Impact of Marketing Model Application and Competitive Intelligence Utilization on Strategic Response Capability* (Heinrichs and Lim 2008).

'Competitive' is also used to describe the environment. 'Market' is collocated 543 times with 'competitive' so it seems the use of this adjective is devoted primarily to the idea of the firm's desired market position or even to provide a general description of the market itself, but not necessarily management's understanding of its environment. For example, the phrases 'competitive knowledge', 'competitive learning', and 'competitive understanding' occur only 3, 15, and 0 times respectively in the corpus. Furthermore, there are only 11 instances of 'compete/competing/competed by'. This indicates there is relatively little explanation of the means by which firms and managers understand and compete in their markets.

#### 6.4.3 Corpus Views of the Environment

The broader term 'environment' is clearly an important concept in the marketing and management literatures. A search on 'environment\*' yields 4604 concordances. This makes for a large concordance that is difficult to assess in a coherent way. Similarly, there were 196 collocated terms (within five tokens to the left or right of 'environment\*') that occurred over 30 times. The top collocations with 'environment\*' do, however, frame it as changing and uncertain, as evidenced in Table 14. Word tokens like 'turbulent', 'changing', 'uncertainty', and 'complexity'

appear more frequently and with generally higher MI scores than word tokens indicating stability (e.g. 'stable', 'moderate').

**Table 14 - Top 30 Collocated Tokens to 'environment\*' by MI score**

<b>Rank</b>	<b>Freq</b>	<b>Freq (Left)</b>	<b>Freq (Right)</b>	<b>MI</b>	<b>Token</b>
1	103	12	91	9.78	dynamism
2	87	80	7	9.74	turbulent
3	51	17	34	9.42	scanning
4	182	25	157	8.96	turbulence
5	53	48	5	8.75	uncertain
6	185	177	8	8.58	changing
7	69	59	10	8.50	stable
8	224	211	13	8.42	institutional
9	178	18	160	8.41	uncertainty
10	70	61	9	8.34	rapidly
11	51	20	31	8.00	regulatory
12	236	217	19	7.79	external
13	43	37	6	7.68	adapt
14	47	45	2	7.68	today
15	30	1	29	7.62	moderate
16	216	122	94	7.62	changes
17	54	17	37	7.59	complexity
18	62	61	1	7.44	operating
19	36	30	6	7.34	impacts
20	68	59	9	7.20	highly
21	44	42	2	7.14	respond
22	88	23	65	7.13	conditions
23	45	42	3	7.04	moderating
24	212	165	47	6.76	dynamic
25	73	31	42	6.61	environmental
26	52	39	13	6.53	selection
27	100	79	21	6.52	internal

28	289	239	50	6.50	competitive
29	33	20	13	6.45	face
30	39	28	11	6.45	complex

#### 6.4.4 Summary of Corpus Data Analysis

To summarize my explorations of managers, competition, and the environment in the corpus, there appear to be contradictions and gaps in the way these concepts are used to portray marketing capabilities. Managers, as individuals and groups, are presented as participants in marketing capabilities who take active roles in carrying them out but whose perceptions and understandings of capabilities, the competition, and the firm's environment are largely omitted from theoretical discussion and empirical assessments. The widely-accepted acknowledgement in management thought that managers are boundedly rational is rarely referenced in the corpus. Yet managers are asked to assess competitor marketing capabilities in the most-often used measures. Overlooking the explicit role of managerial perceptions in marketing capabilities appears to allow researchers to use these same perceptions as proxies in a singular assessment of both dimensions of marketing capabilities.

The firm's competition is an abstraction used as a basis for comparing the firm's constituent parts. With respect to the particular issues of concern in this monograph, the competition is used to frame and describe marketing capabilities. However, when this comparator is analyzed specifically in relation to capabilities, there merely seems to be the assumption that firms can: 1) directly identify; and 2) ably assess competitor marketing capabilities. There appears to be little link to theories related to nature of managers' cognition and perception. This is especially

problematic given marketing capabilities theories usually refer to managerial deployment of said capabilities

This seems especially so when capturing the construct via survey measures. My analysis of measures noted that many marketing capabilities measures ask respondents to compare their firm's capabilities directly to those of competitors. This approach is reinforced in Table 12, where many of the concordances that contain 'competitors' and 'capabilities' or 'capability' refer to survey items. Despite allusions in the theory to the embeddedness and idiosyncrasy of marketing capabilities and a description of the firm's general environment as complex and indeterminate, the marketing capabilities literature generally ignores theory about boundedly rational managers, the deeply embedded and idiosyncratic nature of marketing capabilities, and dynamic and uncertain environments when it comes to describing and measuring the marketing capabilities construct.

#### 6.4.5 Managerial Motivation

I made one further attempt to better understand how managers are portrayed in the corpus by exploring how the motivation of managers and the motivation for marketing capabilities themselves are described. Collocations (5 words to the right and left) between 'market\* capabilit\*' and 'goal\*', 'object\*', 'intent\*', 'target\*', 'end', 'mission', 'aim\*', 'aspirat\*', and 'purpos\*' were sought. In all cases but one ('target\*'), collocations were insignificant in frequency. The high occurrence of 'target\*' was attributable to one paper in the corpus that explored the construct

'target marketing capabilities' (*Financial value of brands in mergers and acquisitions: Is value in the eye of the beholder?* (Bahadir et al. 2008)).

These results call into question whether the direct aims of marketing capabilities are well-described. In theory, marketing capabilities should have intermediate ends (cf. Amit and Schoemaker, 1993). That is, marketing capabilities are thought to have an end that is proximate to the activity that constitutes marketing capabilities and is directly attributable to it. These ends are unlike performance measures. Performance measures are subject to other influences at the firm and in the environment. Meanwhile, intermediate ends are a direct result of the deployed marketing capability. Yet this element of the description of marketing capabilities does not appear in the corpus. The bigram 'intermediate product' occurs only six times and none of the occurrences are directly referent to marketing capabilities. Likewise, only one instance of 'intermediate goal' was found. This theoretical concept- foundational to capabilities in general- does not appear to be addressed in the corpus.

The review of extant measures used to capture the general marketing capabilities construct (cf. Vorhies and Morgan, 2005) indicates such measures do not typically identify or suggest specific ends to marketing capabilities either. For example, in Vorhies and Morgan (2005), respondents are asked to "Please rate your business unit relative to your major competitors in terms of its marketing capabilities in the following areas", using a seven-point scale running [-3 = ("much worse than competitors"); +3 = ("much better than competitors")]. Respondents ("top marketing executives", p. 82) are therefore asked to assess their firm's marketing capabilities relative to competitors and not to internal, firm yardsticks. Ostensibly, firm-level standards of progress would be more evident to the firm's managers. Firms typically track the progress of their operations and projects toward particular ends by monitoring the completion of processes, e.g.



the issuing of requests for proposal to agencies to begin the creation of new advertising campaigns; closing the general ledger at month end to create financial reporting. These processes are often recurrent and could be considered routines.

Nor do the items in extant measures point to the ends of marketing capabilities. For example, the Vorhies and Morgan (2005) measure for Selling capabilities includes "Giving salespeople the training they need to be effective", "Sales management planning and control systems", "Selling skills of salespeople", and "Sales management skills". The first and second items imply some combination of process, skill, and knowledge that could, by extant definitions, be considered capabilities themselves. The third and fourth identify skills which are consistent with defining capabilities to include the use of skill and knowledge.

There is no evidence of routines in the items. Routines may underlie some of the items but they are not outwardly apparent. Routines are 'effortful accomplishments', triggered by internal actors or external cues (Becker 2004). These defining characteristics indicate both aims and ends. The triggering of routines implies the evocation of some motivation toward a goal. Effortful accomplishment suggests completion of sets of activity in light of that goal. The design of these measurement items omits both aims and intermediate ends. The result is the manager's intentions and expectations in deploying a marketing capability are overlooked. These expectations include a perception of how the intermediate end of the marketing capability will contribute to broader firm ends (e.g. financial performance). In addition, the intermediate end itself - a yardstick of whether the marketing capability was successfully carried out - is omitted. Respondents are left

to assess marketing capabilities based on their own undisclosed expectations and conceptions of intermediate ends.

## 6.5 Discussion and Propositions

In general, theory supports - and management scholars acknowledge - the conception of managers as boundedly rational. Managers situated in the marketing capabilities literature, however, do not seem to be granted this leeway. Instead, the corpus seems to see them as ‘doers’ when alluding to them in theory, and as omniscient when using them to assess marketing capabilities. This omniscience comes despite general acknowledgement that the manager's firm participates in a turbulent and uncertain environment. The environment includes competitors who are, nonetheless, the standard bearers for the firm's marketing capabilities. Yet there is little theoretical explanation in the data of how the manager might know the competition so well. In fact, marketing capabilities themselves are described as deeply embedded and hard to identify, making it difficult to reason how a firm's managers can evaluate competitive marketing capabilities when their own may be obscure.

The issue of making marketing capabilities more identifiable via more robust description is central to the wider aims of this monograph. The contradictions about the manager's role in marketing capabilities, therefore, emphasize the need to re-conceptualize the construct as a two-dimensional one. The manager's perception of marketing capabilities a priori seems fundamental to whether the capability is deployed. When a need for action against a particular goal is evoked at the firm, the manager's perception of the firm's propensities for action surely contributes to whether capabilities are deployed. To describe marketing capabilities and not consider the

manager's boundedly rational perception of them in the context of a dynamic firm environment neglects an important theoretical foundation and shortchanges description of the construct.

A further clarification of marketing capabilities lies in the identification and description of their intermediate ends. As recurrent patterns of activity, marketing capabilities have ends. They must end in order to begin again. As organizational processes, marketing capabilities must generate some output, some work-product, some result. Good or bad, results are in the nature of processes and, therefore, the nature of marketing capabilities too. These outcomes are what we ask respondents to implicitly assess in our measures of enacted marketing capabilities, and are likely what managers envision when, a priori, they trigger the deployment of marketing capabilities.

It is, therefore, important to include intermediate ends in the assessment of marketing capabilities and to account for the limits of a single manager's environmental assessment. For example, a measure of a firm's marketing capability in the area of advertising and promotion might assess the a priori communication objectives of a particular campaign or series of campaigns and the related critical internal objectives that drive the programs e.g. Do you expect to achieve X reach? Do you expect Y click-through rate? Do you expect to have all communication pieces in market by Z date? Of course, these intermediate ends should also be evaluated post hoc in order to judge the firm's capabilities. In addition, I suggest that reliance on single, key informant assessments of the firm's propensity for action are probably inadequate and that a multi-informant assessment of a priori propensities and post hoc realizations will yield truer results.

To summarize, I agree with Angulo-Ruiz et al. (2014): "Marketing activities and marketing objectives are grouped, but without an explicit reference to the process by which activities transform into objectives. Therefore, marketing capabilities are not approached as an integrated

process of resources and end results, missing the alignment with organizational capability theory." (Angulo-Ruiz et al. 2014). Future research, therefore, should explicitly establish the intermediate ends of any particular marketing capability construct under study. Furthermore, the measures of marketing capabilities should include explicitly stated intermediate ends for respondents to assess both prior to and after the capabilities occur.

The neglect of the manager's cognitive limitations, especially when called to assess a typically complicated environment, is perhaps understandable in light of marketing's focus on MO. The domain's preoccupation with establishing the importance of the marketing concept during the past 25 years has relied on conceptualizations of MO that hinge on the processing of information related to the firm's environment (cf. Jaworski and Kohli 1993; Slater and Narver 1995).

Management's limits or failure in their ability to appropriately interpret environmental events, therefore, undermines the argument that knowledge about customers, competitors, and the firm's environment are central to the firm's success.

Arguably, marketing capabilities have been a device used to prove the effectiveness of MO. This notion foreshadows the next two chapters. There is substantial positive bias in the marketing capabilities literature that signals the intricate relationship between marketing capabilities and MO. The next two chapters, therefore, explore the issues and implications of the positive bias toward marketing capabilities and MO that is evident in the research area, including the perplexing nature of MO in the context of marketing capabilities.

## 7. ONLY POSITIVES - THE POSITIVE BIAS IN MARKETING CAPABILITIES AND THE CASE FOR MARKETING INCAPABILITY

Market orientation (MO) has been the subject of considerable study in the marketing domain over the past 20 to 30 years (Goldman and Grinstein 2010; Kirca et al. 2005). The extensive scrutiny is due in part to the key role it plays in confirming the benefits of the firm's adoption of the marketing concept. As a consequence, MO addresses marketing's longstanding identity crisis (cf. Bartels 1974; Day and Wensley 1983). The work on MO essentially represents 'proof of concept' for the entire marketing domain.

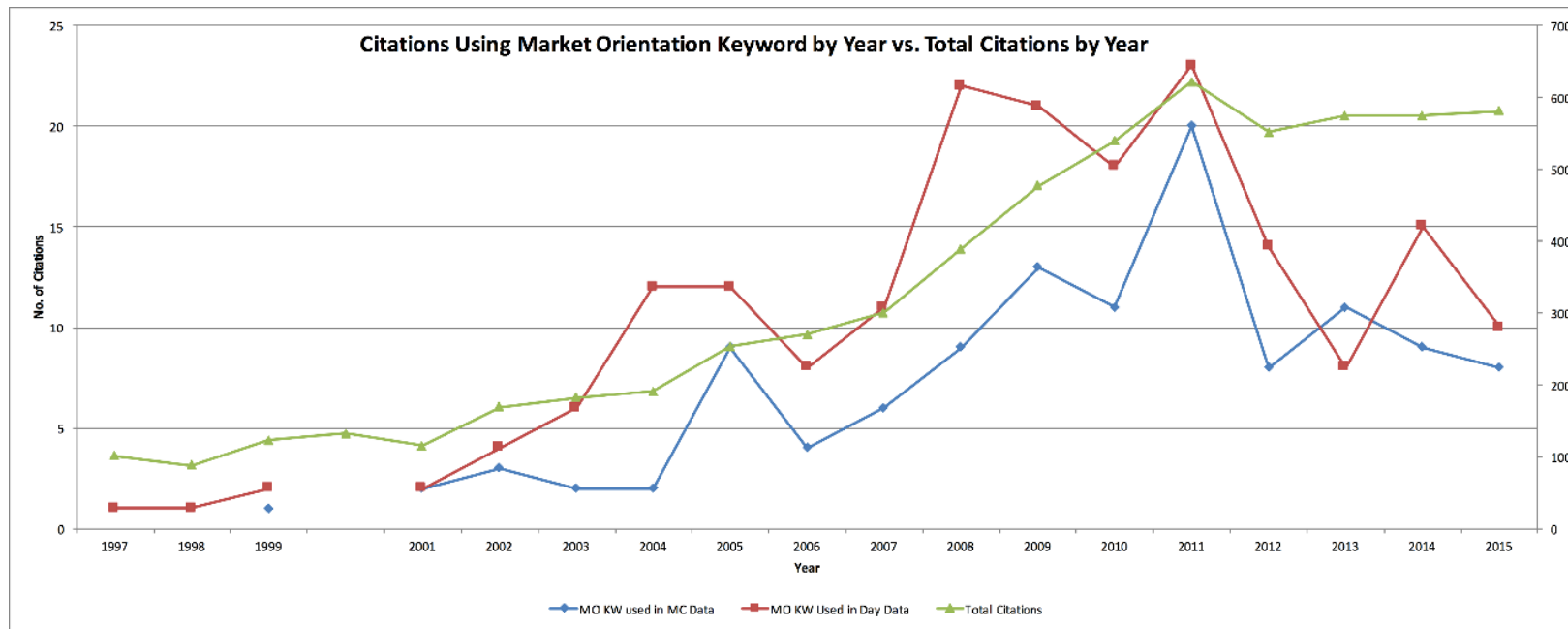
The shadow of MO looms large over marketing capabilities research. 'Market orientation' is, as mentioned, a top author keyword in both sets of bibliometric data. It is also the 34<sup>th</sup> most frequent bigram (coupling of word tokens) in the corpus, occurring 646 times per million words. The common cutoff for ngram frequency is 20 per million (Greaves and Warren 2010) and most of the other, frequent bigrams are trivial (e.g. 'of the', 'and the', 'et al') or represent fairly generic concepts in the literature (e.g. 'journal of', 'of marketing', and 'the market'). As a result, MO appears to take a central place in the conceptualization of marketing capabilities in the corpus.

The focus on MO in the marketing capabilities area, coupled with the evidence of a strong positive bias about the effects of marketing capabilities presented that will be presented momentarily, has sparked the explorations in this chapter. It seems natural that a research domain would attempt to produce scientific evidence that justifies its existence. It is unsurprising, therefore, that the positive effects of MO would be conceptualized and sought by most marketing scholars involved in researching it. The dominant presence of market orientation in the

progression of marketing capabilities research provided a set of secondary research questions that are addressed here: 1) whether and where there is a positive bias in the marketing capabilities data; and, if so, 2) what implications arise as a result?

The constant study of MO is illustrated in Figure 4. The number of papers in both citation datasets grows year by year (on the left y-axis), climbing with the total number of papers in the data (on the right y-axis). That is, the steady growth in publication on marketing capabilities is matched by the sustained interest in MO in the context of marketing capabilities.

The focus on MO, perhaps not surprisingly, appears more prevalent in the marketing domain. I analyzed author keyword use by domain, using the JQL to assign citations to domains. A summary of the number of citations by domain is provided in Table 15. Marketing, General Management & Strategy, Operations Research, Innovation, and the Other categories are the domains with the most citations in each dataset. These citations cover 73.7% and 87.1% of the MC search and Day (1994) citations respectively.



**Figure 4 - Citations Using 'Market Orientation' Keywords vs. Total Citations by Year**

**Table 15 - Citations by Domain**

Day (1994) by Domain		MC Search by Domain	
Marketing	597	Other	1073
Not Included in the JQL (Other)	388	Marketing	906
Operations Research, Management Science, Production & Operations Management (OR,MS,POM)	179	G&S	633
General & Strategy (G&S)	108	Innovation	566
Innovation	98	OR,MS,POM	479

I then computed the use of the author keyword 'market orientation' as a percentage of the number of citations that provide such keywords. Marketing domain citations use this phrase in 18.2% of the citations (214 of 1173 citations). Meanwhile, the same term occurs less frequently in other domains i.e. Other - 9.2%, OR, MS, POM - 12.9%, G&S - 10.2%, and Innovation - 14.6%. Tests of whether this binomial distribution of the use of the keyword 'market orientation' in the marketing domain is equal to the distributions in the other domains were performed ( $H_0: p_{\text{Marketing}} = p_{\text{other domains}}$ ). Tests of the data in Marketing and Other (z-score = 6.33,  $p < 0.00$ ), Marketing and G & S (z-score = 4.50,  $p < 0.00$ ), Marketing and OR, MS, POM (z-score = 3.94,  $p = 0.002$ ), and Marketing and Innovation (z-score = 1.89,  $p = 0.059$ ) all demonstrate distinct differences. It appears the marketing domain is more occupied by the MO concept than other domains.

The Day (1994) paper, in particular, is tied to the MO concept. In the broader MC search dataset, I isolated citations that did not appear in the Day (1994) dataset. The keyword 'market



orientation' occurred in 13.2% of the papers employing author keywords. Meanwhile those papers that cite Day (1994) in the MC search data or, of course, in the Day (1994) data itself, occur at 23.3% (z-score = 4.45,  $p < 0.00$ ).

To further investigate the relationship between the seminal Day (1994) paper and MO, I performed the same analysis in the General Management & Strategy domain. I did so because the G&S literature's theory of capabilities is most closely linked to the Marketing domain and, as noted in the Literature Review section, a key source for marketing capabilities theory. MO is used as an author keyword in 8.4% of MC search citations in G&S that do not cite Day (1994). Where Day (1994) is cited, the rate of use of MO as a keyword is 20.2%. These results suggest that, across theoretically similar domains, the seminal Day (1994) paper is more strongly tied to the concept of MO than are other theories linked with marketing capabilities (z-score = 3.55,  $p < 0.00$ ).

The bibliometric data suggests both a Marketing domain focus on MO and notable link between the MO construct and the Day (1994) paper. Furthermore, the prominence of performance-related keywords (cf. Figures 1 and 2 in Chapter 1) hints at an aim to prove the benefits of marketing capabilities and MO. Given my focus on the description of marketing capabilities in particular, the next step in the analysis explores how the prolific testing of the benefits of MO may relate to the description of the marketing capabilities construct. Therefore, the next step examines the portrayal of marketing capabilities through the use of adjectives. Adjectives describe and modify nouns. Their use in proximity to the noun 'marketing capabilities' can, therefore, identify what attributes are assigned to characterize the construct and provide insight into the description of marketing capabilities.

**Table 16 - Top, Non-Trivial Adjectives used in 'Marketing Capabilit\*' concordance lines (50 characters to the right and 50 characters to the left of the focal term)<sup>5</sup>**

Adjective	Count
Technological	119
architectural	102
specialized	93
positive	92
dynamic	92
competitive	82
social	79
international	68
strong	67
new	56
important	54
different	53
stronger	50
higher	46
Firm	45
such	43
more	41
other	36
high	36
adaptive	34

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<sup>5</sup> Please recall that collocations are calculated by counting occurrences within a window of work tokens e.g. 5R/5L while concordances are lines made up of a number of characters to the right and left of the focal term e.g. 50 characters to the right and left form the concordance line.

organizational	33
financial	33
greater	33
superior	32
firm's	31

Two of the top 3 adjectives in use - 'architectural' and 'specialized' refer to a typology of marketing capabilities proposed by Vorhies and Morgan (2003) . The balance of them are typically positive in nature (e.g. 'Positive', 'strong', 'important', 'stronger', 'higher', 'high', 'superior', 'more'). Table 16 lists adjectives with 30 or more occurrences. There are no adjectives with necessarily negative connotations listed. To investigate further, a search of the 85 adjectives mentioned 10 or more times was also conducted. In this case, only two have a negative connotation. They are 'negative' (25 occurrences, 35<sup>th</sup> place on the list) and 'weak' (14 occurrences, 57<sup>th</sup> place). These results suggest that marketing capabilities are typically framed in a positive light in the corpus.

In addition, the marketing capabilities literature does not seem to address firm 'incapability'. Antonyms (words with opposing meaning) of capability - 'impotence', 'inability', 'incapability', 'incapacity', 'incompetence', 'ineffectiveness', 'ineptness', 'inaptitude', and weakness - were searched in the corpus. The result was 184 concordance lines or instances (of the 4013 'marketing capability\*' concordance lines) where the opposite of capability were potentially expressed. 'Inefficiency', 'inability', and 'weakness' were used in 159 of 184 instances. Incapability was used only three times. A review of each concordance (50R/50L) revealed some uses of these word tokens in the context of firm-level activity but no direct references to

marketing capabilities.' Inability' and 'weakness' are typically used as complementary terms to capability. For example, in the following passages, the firm's inability and inefficiency are framed as something other than a capability itself. The first passage identifies a firm capability then uses inability to describe another firm characteristic i.e. it explicitly avoids labeling the inability to adapt as incapability. In the second, inefficiency is clearly a separate construct from capability.

"...in part to an unstable and hostile economic market, negligible leveraging capability, **and inability** to adapt swiftly to constant social and economical changes. As more distribution..." (Rogers and Mackenzie 2008)

"...an increase in the firm's marketing capability would actually lower the mean of **inefficiency** (equivalently, enhance AC). It should be pointed out that this specification of AC heterogeneity..." (Narasimhan et al. 2006)

In sum, the idea of marketing incapability does not seem to exist in the corpus.

## 7.1 Discussion and Implications

Another look at the popular Vorhies and Morgan (2005) survey measures offers some additional insight into why firm incapability may be a neglected phenomenon. Researchers using these scales typically ask respondents to evaluate the performance of their firm relative to competitors. Also, scale anchors are typically stated as "much better than competitors" and "much worse than competitors" (cf. Vorhies and Morgan, 2003, 2005, 2009). Putting aside concerns about the manager-respondent's ability to assess competitive marketing capabilities as described in chapter 6, the scale anchors reveal two potential gaps in the operationalization and conceptualization of

marketing capabilities. The first is that the measures assume completion of the performance of the marketing capability. Meanwhile, the intermediate ends of the marketing capability are not made explicit, and left to respondents to infer them. It is unclear, therefore, whether the assessments provided are of a completed marketing capability or of one that was abandoned or unrealized. In this way, there is no explicit consideration of the possibility that marketing capabilities can sometimes deployed yet not have the full extent of their constituent processes and patterns carried out.

The second gap is related to the first and evoked by the relative nature of the measures. That is, by comparing marketing capabilities to competitors, the assessment does not consider that the firm often benchmarks the progress of many of its planned activities against internal standards and timelines too, not just the competition. That is, there are intermediate ends in place at the firm, absent of competitive reference. The achievement (or lack) of these ends has direct impact with the firm. While measures of marketing capability can be correlated to firm performance, they overlook the idea that the more proximate, intermediate outcome of the marketing capability itself can have deleterious effects. For example, in the case where marketing capabilities are deployed then abandoned, the firm uses resources and incurs costs but does not achieve its intermediate end (e.g. a major promotional campaign is scrapped part-way through the project or after it is complete and ready for roll-out). Wasteful and deleterious patterns and processes occur but are more likely to be obscured in a measure of the firm's broader financial or operating performance. In light of these gaps and examples, it appears the idea of marketing incapability has not been recognized in the literature of the domain. There appears to be a compelling need to

include intermediate ends in the description of marketing capabilities constructs and to consider the idea of the opposite of marketing capabilities: marketing incapability.

The creation of measures to address these two gaps include some of the concepts and suggestions already provided (cf. sections 5.4 and 6.5). That is, two-dimensional measures of marketing-related capabilities like pricing and promotion should include both a priori and post hoc, multi-informant assessments of the intermediate objectives. These objectives should be directly related to specific deployments of the focal capability e.g. to particular marketing communication programs and pricing initiatives being put in place at the firm at a given time. By measuring a priori expectations and post hoc realizations the firm's capabilities and incapability can be assessed. That is, if there is sufficient disagreement between what is expected and what is accomplished there is a case for incapability. For example, a toy retailer's failure to get key marketing communication pieces to market in advance of the North American Christmas season or the same retailer's failure, as determined by social media metrics, to achieve any significant engagement with its target audience despite timely messaging across social media platforms. The noted examples also use intermediate ends that are measurable, within reach, and easily understood by firm managers. Such intermediate ends, paired with multi-informant measures, suggest that more robust capture of marketing capabilities is possible.

The data also demonstrates that the marketing capabilities research area tends to frame its central construct in a positive light. This may be attributable to a construct central to the larger domain of marketing itself, MO, weighing heavily on the conception of marketing capabilities. In any case, the result is that marketing capabilities are conceived as relatively strong or weak while the potential outright failures of marketing capabilities are neglected. This neglect may be a byproduct of the omission discussed earlier: not recognizing the construct as two-dimensional,

with managerial conceptions of the firm's propensity for action included. This dimension of marketing capabilities relates directly the intention of the firm's management and makes the formation of goals a necessary consequence of that intention.

Managers both imagine and deploy marketing capabilities with firm goals in mind. They plot their way to these broader goals by setting standards of achievement for the activities and processes that make up marketing capabilities. This implies managers also have an explicit or implicit intermediate end in mind for the capability itself. Current conceptualizations of marketing capabilities should, therefore, make use of these intermediate ends to better describe the construct. The intermediate end of a marketing capability links the proposed two dimensions of the construct. It spells out a part of the manager's conception of the firm's propensity for action and joins it to a standard for assessing the related post-deployment activity of the capability. Furthermore, it makes the behavioural and cognitive patterns associated with a marketing capability more apparent as they can be tied to a particular aim. The requirement for an explicit intermediate end would result in a reduction in the ambiguity of extant measures. Respondents would assess marketing capabilities based on specific aims instead of those that go unarticulated in current popular measures.

The mandatory inclusion of intermediate ends would also reduce the risk of tautology in both the conceptualization of the research area and the operationalization of the construct. Currently, firm-level performance takes a prominent role in the marketing capabilities literature while intermediate ends are ignored. The direct relationship between marketing capabilities and firm-level performance is focal and evident in the author keywords (despite the previously mentioned issues of interactions, cf. chapter 6). The language of the corpus implies marketing capabilities have positive effects on the firm. Despite these conspicuous themes, scholars can carefully avoid

allegations of tautology by pointing to a separate performance construct and related measure, and by defining performance separate of capability. Ironically, they appear to do so while paying little attention to the description of intermediate ends of marketing capabilities that would clarify the difference between constructs altogether (e.g. the aforementioned second gap presented by the failure to include firm benchmarks or intermediate ends in the measures of marketing capabilities).

Future research in the area should also consider the place of marketing incapability. I propose a construct definition that describes marketing incapability as a firm's propensity action toward a defined intermediate end and the deployment of capability-related patterns of activity, some of which are not fully realized, resulting in an incomplete deployment of the marketing capability. The corollary of a marketing incapability construct is that the marketing capabilities construct itself is limited to instances where the capability is fully enacted and its intermediate ends are realized. The range of possibilities for marketing capabilities deployment is covered more comprehensively with the addition of this construct.

In light of marketing incapability, researchers may want to consider the rates at which a firm's management perceives opportunities to deploy marketing capabilities and the rates at which said capabilities are fully and successfully deployed and enacted. This consideration should come as a complement to the correlation between marketing capabilities and various other firm performance measures. Of course, the study of marketing capabilities failures themselves might also be a line of research enquiry.

This chapter offers a new construct - marketing incapability - that adds to the conceptualization of marketing capabilities. Furthermore, it offers suggestions that improve descriptions of



marketing capabilities and, in turn, augment construct operationalization. The positive bias of the research area and its persistent focus on the effects of MO, however, raise other issues related to the marketing capabilities research area. Particularly salient is the role of MO and how it is positioned in relation to marketing capabilities. The additions to the conceptualization of marketing capabilities described in this and preceding chapters mean further clarification of the MO construct from the marketing capabilities construct is necessary. As a result, chapter 8 explores the similarities between MO and marketing capabilities and tries to untangle the two.

## 8. IS MARKET ORIENTATION A MARKETING CAPABILITY?

One confusing aspect of my early reading and research in marketing capabilities was the relationship between it and MO. In CMDO, Day refers to three different conceptualizations of MO, those of Jaworski and Kohli (1993), of Narver and Slater (1990), and of Deshpandé, Farley, and Webster (1993). While all three definitions of MO in these papers differ, each construct is nevertheless operationalized using some items that describe organizational behaviours and activities. Even when the orientation construct is said to describe the firm's culture, at least some items in the measures ask about patterns of activity and behaviour, not about the values, attitudes, and beliefs that typically characterize culture (Deshpande and Webster 1989). As an example, even the customer orientation construct, described as a measure of firm culture, includes activities such as routine measurement of customer service (cf. Table 17, column 3, row 4). To this end, please refer to Table 17 for the definitions and measurement items for each of the three popular descriptions of MO. I have highlighted words in the items that can connote behaviour instead of culture. These operationalizations of MO as firm behaviours or activity patterns cause MO to resemble capabilities. As a result it difficult to distinguish MO from marketing capabilities and why MO is not considered a marketing capability.

**Table 17 - Definitions and Operationalizations of MO and Marketing Capabilities**

Definitions of MO		
Kohli & Jaworski (1990)	Narver & Slater (1990)	Deshpandé, Farley & Webster (1993)
" <b>Market orientation</b> is the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the	" <b>Market orientation</b> is the organization culture (i.e., culture and climate, Deshpandé and Webster 1989) that most effectively and efficiently creates the	"We defined <b>customer orientation*</b> as the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as

intelligence across departments, and organization-wide responsiveness to it." (p. 6)	necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business (Aaker 1988; Kohli and Jaworski 1990; Kotler 1984; Kotler and Andreasen 1987; Peters and Austin 1985; Peters and Waterman 1982; Shapiro 1988; Webster 1988). " (p. 21)	owners, managers, and employees, in order to develop a long-term profitable enterprise" (p. 27)  *Deshpandé, Farley & Webster consider market orientation and customer orientation as equivalent terms. (p. 27).
<b>Operationalizations of MO Constructs</b>		
Kohli, Jaworski & Kumar (1993)	Narver & Slater (1990)	Deshpandé, Farley & Webster (1993)
[Intelligence Generation]  In this business unit, we <b>meet</b> with customers at least once out what products or services they will need in the future.	[Customer Orientation]  Customer commitment	We have <b>routine or regular measures</b> of customer service.
Individuals from our manufacturing department <b>interact</b> directly with customers to learn how to serve them better.	Create customer value	Our product and service development is based on good market and customer information.
In this business unit, we <b>do</b> a lot of in-house market research.	<b>Understand</b> customer needs	We know our competitors well.
We are slow to <b>detect</b> changes in our customers' product preferences.	Customer satisfaction objectives	We have a good sense of how our customers value our products and services.
We <b>poll</b> end users at least once a year to assess the quality of our products and services.	<b>Measure</b> customer satisfaction	We are more <b>customer focused</b> than our competitors.
We often <b>talk</b> with or <b>survey</b> those chases (e.g., retailers, distributors).*	After sales service	We compete primarily based on product or service differentiation.
We <b>collect</b> industry information dustry friends, talks with trade partners).	[Competitor Orientation]	The customer's interest should always come first, ahead of the owners'.

	Salespeople <b>share</b> competitor information	
In our business unit, intelligence is <b>generated</b> independently by several departments.	<b>Respond</b> rapidly to competitors' actions	Our products/services are the best in the business.
We are slow to <b>detect</b> fundamental technology, regulation).	Top managers <b>discuss</b> competitors' strategies	I believe this business exists primarily to serve customers
We periodically <b>review</b> the likely effect of changes in environment (e.g., regulation) on customers.	<b>Target</b> opportunities for competitive advantage	
[Intelligence Dissemination]  A lot of informal "hall <b>talk</b> " in this business unit concerns our competitors' tactics or strategies.*	[Interfunctional Coordination]  Interfunctional customer <b>calls</b>	
We have interdepartmental <b>meetings</b> at least once a quarter to discuss market trends and developments.	Information <b>shared</b> among functions	
Marketing personnel in our business unit spend time <b>discussing</b> future needs with other functional departments.	Functional <b>integration</b> in strategy	
Our business unit periodically <b>circulates</b> documents (e.g., reports, news- letters) that provide information on our customers.	All functions contribute to customer value	
When something important happens to a major customer of market, the whole business unit <b>knows</b> about it within a short period.	<b>Share</b> resources with other business units	
Data on customer satisfaction are <b>disseminated</b> at all levels in this business unit on a regular basis.		

There is minimal <b>communication</b> between marketing departments concerning market developments.		
When one department finds out something important about competitors, it is slow <b>to alert</b> other departments.		
[Responsiveness] It takes us forever to <b>decide</b> how to respond to our competitor's price changes.		
Principles of market segmentation <b>drive</b> new product development efforts in this business unit.		
For one reason or another we tend to <b>ignore</b> changes in our customer's product or service needs.		
We periodically <b>review</b> our product development efforts to ensure are in line with what customers want.		
Our business plans are <b>driven</b> more by technological advances ket research.		
Several departments get together periodically to <b>plan</b> a response taking place in our business environment.		
The product lines we <b>sell</b> depends more on internal politics than real market needs.		
If a major competitor were to launch an intensive campaign targeted at our customers, we would <b>implement</b> a response immediately.		

The <b>activities</b> of the different departments in this business unit are well coordinated.		
Customer complaints fall on deaf ears in this business unit.		
Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion.		
We are quick to respond to significant changes in our competitors' pricing structures.		
When we find out that customers vice, we take corrective action immediately.		
When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.		

I was further confused when digging into the work done by Vorhies and Morgan to develop measures of marketing capabilities. In Vorhies and Morgan (2005), a marketing capability named 'Market Information Management' is among eight marketing capabilities measured (cf. Table 2, chapter 1). Yet in Morgan, Vorhies, and Mason (2009) this measure is not used in conjunction with the other seven. Instead the Jaworski and Kohli (1993) measure of MO is used.

In isolating two papers on marketing capabilities by the same authors, it appeared that measures of marketing capabilities could be direct substitutes for MO measures and vice-versa.

Similarly, the likeness between marketing capabilities and the operationalizations of MO are akin to those between routines and marketing capabilities. That is, the marketing capabilities construct and MO measures both refer to behavioural and cognitive regularities at the firm that are embedded, collective, processual, effortful, and recurrent (cf. chapter 5, Table 8), just as capabilities and routines seem to be. The operationalization of MO seems very similar to the concepts and characteristics used to describe marketing capabilities. Consequently, the question 'how can marketing capabilities be disentangled from MO?' became an interest during my studies, and the focus of this chapter.

Analyses of the data to this point in this monograph have already established MO's preeminence in the marketing capabilities literature and the Marketing domain in general. A May, 2017 Web of Science™ search for each of the three conceptualizations referred to in Day (1994) reveals each paper has been cited over 1000 times. A similar search of Google Scholar results in 8584, 10222, and 4966 times cited respectively. The ideas about the MO construct are entrenched in the literature, and this chapter does not set out to kick the hornet's nest and attempt to suggest revisions to Marketing's most venerable construct. Instead, the aim is to clarify what distinguishes marketing capabilities from MO and, as a result, clarify what parts of the description of marketing capabilities are essential to its discriminant validity.

To do so, this chapter introduces some new analyses that recall and reaffirm the prominence of MO. I then provide a short critical analysis of Day (1994) to offer my opinion on how MO and marketing capabilities may have become entangled. The chapter then ends with arguments that

further support my reasoning regarding marketing capabilities. The purpose of this chapter is to, again, assert the importance of the establishing the dual dimensionality and intermediate ends of marketing capabilities to create a viable construct, distinctly separate of MO.

## 8.1 Corpus Views of Market Orientation

The corpus suggests that the data retrieved in search of marketing capabilities research is at least as much about MO as it is about the focal search term. The bigram 'market orientation' occurs 2874 times across 184 papers in the corpus. Meanwhile 'marketing capabilities' occurs 2276 times across 140 papers. The 'market orientation' and 'marketing capabilities' bigrams occur at rates of 646 and 512 tokens per million respectively. Recall that a rate of 20 tokens per million is a standard cutoff point for corpus linguistics analyses (Greaves and Warren 2010). MO seems to prevail, at least marginally, over marketing capabilities in the corpus.

The data confirm that both MO and marketing capabilities are robust constructs in the literature and that MO is a slightly more prominent concept based on its frequency of use in the body of research text and the assignment of keyword labels by authors. This suggests that the marketing capabilities research may be more about MO than about marketing capabilities themselves. To further explore this possibility, I return to re-assess the seminal Day (1994) article.

## 8.2 Critical Analysis of CMDO

Day navigates the terminology of the field in CMDO in an interesting way. He refers to 'market driven' organizations not 'market oriented' ones. This may be to emphasize the need he sees for organizations to have his proposed outside-in capabilities, which are complementary to, and perhaps even more important than, the spanning and inside-out capabilities he also describes. He



appears to believe that market understanding and responsiveness are more important to modern firm success than the understanding of how to use internal strengths and resources. That is, Day's assertion that firms should be 'market driven' makes it necessary for them to be 'market oriented' too. Indeed 'market driven' and 'market oriented' are synonymous in CMDO. Day (1994) uses the two phrases interchangeably e.g. "I propose that organizations can become more market oriented by identifying and building the special capabilities that set market-driven organizations apart." (p. 38).

If there is any nuance between being 'market driven' and 'market oriented', it also seems to have been lost on subsequent research in the area. Most instances of the phrase 'market driven' in the corpus refer to the title of Day (1994) and none refer to a construct separate of MO. Therefore, I contend that market-driven is, effectively, a synonym for MO. For all intents and purposes, it appears CMDO could be titled "The Capabilities of Market-Oriented Organizations". That is, CMDO is a paper about MO and has been construed as such. This appears evident in both the paper itself and in the corpus and bibliometric keyword data presented in this monograph.

Day's treatment of MO also hints at dissatisfaction with some conceptualizations of MO. He treats MO as a reference to culture in CMDO but does so in an ambiguous fashion by acknowledging the "behavioural definition" (p. 43) of MO from both Kohli and Jaworski (1990) and Narver and Slater (1990), and then mentioning the "more deeply rooted and pervasive" (p. 43) cultural alternative of Deshpande and Webster (1989). That is, Day does not argue specifically against the versions of MO that describe it as a behavioural manifestation of culture though he clearly favours the alternative of "shared values and beliefs" (p. 43). This may have resulted in ensuing researchers linking the CMDO citation and its description of (marketing)

capabilities to any or all of the three conceptualizations of MO, without consideration for how the two constructs fit together.

The preference for the version of MO as culture is likely because it fits with Day's proposed market sensing capability: the firm's "ability to sense events and trends in their markets ahead of competitors" (p. 43). That is, Day proposes that firms deploy a market sensing capability via open-minded enquiry, synergistic information distribution, mutually informed interpretations, and accessible memory. This description is eerily similar to descriptions of the behavioural versions of MO. It is clear that Day considers MO a part of firm culture and capabilities as episodic manifestations of that culture. He is essentially proposing that behavioral versions of MO better capture a firm's capabilities than its culture. Yet, by acknowledging the existence of behavioural versions of MO, they remain legitimate in the context of the article and their incompatibility with market sensing is not wholly resolved.

Day's choice of the word 'processes' to underlie capabilities may have also caused some subsequent confusion about the composition of capabilities construct. As established in this paper, and in research that came after CMDO (cf. Becker, 2004), 'routines' are often used as elements of capabilities. Day, however, refers to routines as a specific dimension of firm knowledge (p. 39). As a result, the nature of routines in CMDO would, on the face of it, seem at odds with the descriptions elaborated in chapter 5. Nevertheless, Day's descriptions of both capabilities and processes, and the description of routines used in this monograph hold many similarities (cf. chapter 5, Table 8).

Two features of Day's descriptions of processes and capabilities are especially salient to the issue of separating MO from marketing capabilities. First, he describes processes as having beginnings

and endings that "facilitate identification" (p.38). This depiction is consistent with the notion that capabilities are discrete and finite entities and that the identification of their ends is essential to their description. Second, he recognizes the importance of managers' representations of their environments in his conceptualization of capabilities. About market-sensing capability he writes, "Before this information can be acted on, it has to be interpreted through a process of sorting, classification, and simplification to reveal coherent patterns. This interpretation is facilitated by the mental models of managers, which contain decision rules for filtering information and useful heuristics for deciding how to act on the information in light of anticipated outcomes." (p. 43). In other words, Day recognizes, within capabilities, both the managers' role in assessing the firm's propensity for action and the need to identify their intermediate ends.

Why are these two features of capabilities particularly important? In part, because they help to distinguish marketing capabilities from MO. MO reflects the adoption of the marketing concept at the firm. Some scholars have chosen to describe it in terms of its manifestation as behaviour but that does not change the intension or internal content of the idea- that MO is a relatively permanent belief about the value of marketing concept at the firm. Marketing capabilities, on the other hand, are recurrent episodes of cognition and activity, imbued with, and motivated by, MO. The dual dimensionality of marketing capabilities proposed in this monograph links the more permanent, more universal firm orientation to how it conducts its business in particular circumstances. Managerial assessments of the firm's propensity for action involve, among other considerations, managers considering the firm's MO in their assessments. The dimension of

marketing capabilities that are these assessments are the way MO is translated into marketing capability.<sup>6</sup>

The recurrent but episodic nature of marketing capabilities makes ends necessary and further distinguishes marketing capabilities from MO. As Day recognizes, the constituent processes of capabilities must be identifiable for managers to know how and when to deploy them. It follows that, if constituent processes are identifiable, then so should be marketing capabilities. Marketing capabilities, therefore, must have defined ends in order to be identified and deployed. These intermediate ends are a necessary part of the description of marketing capabilities and largely lacking in the bibliometric and corpus data.

### 8.3 Summary

Research suggests that the focus of MO has been spurred by its potential to legitimize the Marketing area within the larger domain of Management research (Goldman and Grinstein 2010). Goldman and Grinstein (2010) also suggest that the measures of MO discussed here achieved "wide acceptance and utilization" (p. 1401). Perhaps marketing capabilities have been caught up in the rush to capture MO? It appears a preoccupation with the link between the marketing concept and firm performance has resulted in a relative disregard of marketing capabilities. Though marketing capabilities are a key theoretical link between MO and firm performance the field's focus on the MO antecedent and performance outcome have

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<sup>6</sup> 6. Day (1994) is clearly arguing for the building of capabilities in order to build MO at the firm. This monograph considers the converse situation, the one most of the subsequent research considers i.e. marketing capabilities already exist at the firm. In the latter case, MO is generally presumed and the issue of describing marketing capabilities is in the context of relating them to firm performance. These different states of development may be a reason the marketing capabilities construct has been confounded with MO. The purpose of this monograph is to focus on firms with developed marketing capabilities and not the issue of how to develop said capabilities. As a result, the chicken-egg order of MO and marketing capabilities is not vital to the arguments here.

overshadowed the important theoretical mediator and, as a result, a thorough description of the marketing capabilities construct is lacking.

For example, and as noted at the beginning of this monograph, capabilities are defined in CMDO but there is no use of the modifier 'marketing' in the paper. Instead, it is the role of MO in CMDO that seems fundamental to the subsequent use of 'marketing' as a modifier. Day (1994) reviews contemporary conceptualizations of MO, MO's association with the firm's embrace of the marketing concept, and the related primacy of information sourced in the firm's market. In this way, the firm-level, 'marketing'-agnostic capabilities he describes are linked to the firm's MO. This acknowledgement of and support for the marketing concept by the firm, via MO, suggests the capabilities described in CMDO are 'marketing' capabilities.

Subsequent research seems as much occupied by the legitimization of MO via marketing capabilities as it does marketing capabilities themselves. As a consequence, operationalizations of MO are in direct conflict with conceptualizations and operationalizations of marketing capabilities. However, it does not need to be this way. Two of the central arguments in this monograph, those that mandate a two-dimensional conceptualization of marketing capabilities and the use of intermediate ends to describe them, resolve the issue of discriminating between marketing capabilities and MO. The field does not necessarily need to resolve its use of three separate measures of MO, at least in relation to marketing capabilities. It merely needs to augment its description of capabilities to include these two essential characteristics.

## 9. END PARTS

"One may be a wonderful researcher and manipulator of data,  
and yet remain an unconscious thinker."

(Sartori 1970, p. 1033)

Good construct definition is essential. In its absence, measures can be deficient, models can be mis-specified, and theories can be undermined (MacKenzie 2003). I have read a great deal of the published research about marketing capabilities from the past 25 years and remain confused about their present-day depiction.

As a result, I have tried to make sense of the descriptions of marketing capabilities in the relevant literature. By employing a variety of research and analytical techniques I have tried to challenge my reading of the marketing capabilities literature and, in so doing, make sense of the construct from a variety of perspectives.

Marketing capabilities remains, to me, an important concept. I relate to it as a manager, whose job it was to understand and harness the strengths and talents of my firm to improve its marketing efforts. Yet a vague construct ultimately does little to help the manager. As mentioned at the outset, my sense of marketing capabilities is of a vague concept in need of crystallization. I

hope that the research and analysis provided in these pages provides a more definite form to marketing capabilities, making them easier to identify and use in research and in practice.

Specifically, I envision this monograph as contributing to the progress of science about marketing capabilities. While areas of research can often begin with light sketches of the central constructs, scientific rigor demands continued investigation and challenge of those same constructs. There is perhaps a conventional pattern of construct definition and theory description, followed by the empirical validation and operationalization of the constructs and the testing of relationships between them that underpin the theory. This does not mean, however, that researchers should rest their work on the relatively lightly-described initial depictions of central constructs. Scientific progress demands that constructs become well-defined and as clear as possible. That is, there is little room for “essentially contested concepts” (Gallie 1955) to remain within a research area if we want to build and test theory.

The danger of not continuing to work toward an improved description of marketing capabilities is significant. A construct is the foundation upon which rests all its relationships with other variables and the related measurement of those variables. Yet scholars continue to work with uncertain constructs. This is perhaps best described by the work of Sartori (1970) and his description of conceptual stretching. Sartori recognized that concepts change as they are used across domains and as the world changes around them. The concept begins with an intension - all the characteristics and attributes essential to the meaning of the concept. It is altered, however, by its extension - the real-world objects to which the concept refers that constitute the extension, or membership set, of the concept (Welch et al. 2015). Sartori argues that intension and extension are inversely related. The less the concept's intension explicitly describes it, the more real-world referent instances of the concept can be attached to it. Or, as Sartori (1970) writes,

"...our gains in extensional coverage tend to be matched by losses in connotative precision." (p. 1035).

This seems to be a conspicuous danger to the marketing capabilities construct. For example, my initial reading of the marketing capabilities literature left me wondering whether MO was a capability or vice-versa and, similarly, how routines and capabilities could relate to each other. Day (1994)'s definition of capabilities was a good start for the marketing domain and certainly not his sole, or even central, aim in CMDO. Yet no one really seems to have built upon the intension of marketing capabilities until now. Instead we seem to have filled the literature with empirical instances of marketing capabilities whose relationship to the initial intension may be tenuous at best

## 9.1 Contributions

Following from the above, the major contributions of this monograph are as follows. First, I argue for a two-dimensional conceptualization and operationalization of the marketing capabilities construct. Such a conceptualization addresses a mandatory dimension of the construct - the manager's assessment of the firm's propensity for action as it relates to marketing capabilities. Second, I argue that there must be a definition of intermediate ends in the description of marketing capabilities. Intermediate ends are essential to the episodic nature of capabilities. They distinguish marketing capabilities from broader cultural practices (e.g. MO) and help to identify enactments of said capabilities. Third, I offer a new theoretical construct, marketing incapability, which reflects the firm's inability to achieve intermediate ends despite an a priori assessment of the firm's propensity to do so. Fourth, I reach this conclusion by applying a multi-method, "big data" research design, employing methodologies that are relatively novel to



the marketing domain. I hope that the large datasets and various analytical lenses not only improve general understanding of the marketing capabilities literature and its related research area but provide a potential means for other scholars to untangle similar issues. I trust this monograph clarifies the conceptualizations of MO and of the role of the manager relative to marketing capabilities.

## 9.2 Future Research

Ideas for future research have been seeded throughout this monograph. The proposition of a two-dimensional marketing capabilities construct in chapter 5 evokes the need for further construct development and work to develop new measures of said construct. This includes the separation of managerial assessments from behavioural regularities. The measurement of both dimensions should include clearly described resources, in keeping with the construct's foundations in the RBV. It should also include clearly described intermediate ends rather than comparisons with the relatively obscure capabilities of competitors. In addition, further theoretical work is needed to clearly delineate a capability from a routine.

Chapter 6 echoes chapter 5's need for better descriptions and measures. In addition to the items mentioned above, chapter 6's emphasis on the cognitive limits of the manager evoke the need for further study of marketing capabilities in the context of other firm capabilities and environmental dynamics. In light of a two-dimensional conceptualization of marketing capabilities and the limits of the manager, research might also be devoted to examining the interstices between managerial assessment and capability execution. For example, does the timing between

managerial assessment and actual capabilities deployment matter? Or, does the manager's cognitive state or environmental context affect assessments relative to deployment?

From chapter 7 springs the proposed 'marketing incapability' construct. How can this idea be further refined and operationalized? Chapter 8 notes the centrality of MO to the marketing capabilities literature.

Further work on how to definitively situate marketing capabilities and MO within an encompassing theoretical framework seems essential. Another consideration comes from the analysis of measures that is referred to throughout the monograph. The sampling of measures from the marketing domain that I use in my analysis reflect a concentration on marketing capabilities, in general, but relatively little focus on specific types of marketing activity sets e.g. Sales and the 4 P's. As noted, marketing capabilities are framed as marketing based on their association with MO. Is there another means by which capabilities can be theoretically and empirically tied to the notion of marketing at the firm? That is, how can capabilities continue to be distinguished as marketing capabilities? There is perhaps some basis for anchoring this descriptor in the types of resources used to assess and deploy the capabilities or by the proximity of the related regularities to customers or markets or exchanges. Capabilities can be related to the firm or its constituent parts (Helfat and Winter 2011). Is it a dominance of cognitive and activity patterns within a marketing-related departmental or functional area of the firm that merits the

modifier? Or it is better to relate in some way to the firm's MO? How can the latter be done, in consideration of the pitfalls of the MO-marketing capabilities relationship recounted here?

### 9.3 Managerial Implications

Managers, of course, consider their firm's marketing capabilities on a regular basis. They do so, however, basing decisions on their own ideas of what constitutes 'capability' and not any scholarly description of the same. If we were to amass all the informal, practitioner-based conceptualizations of 'marketing capability', I suspect the definition of the construct would remain an iceberg in a foggy sea. For example, I have been a sales and marketing manager for over 20 years and have never been part of an organization that uses the phrase 'marketing capability' in anything but a casual or broad sense.

Yet the adept assessment of the environment and the firm's related capabilities remains at the heart of management. Managers implicitly consider marketing capabilities when assessing the firm's behaviour as it relates to its diverse resources. Consequently, the amelioration of the marketing capabilities construct offers to clear the fog and permit managers to better identify marketing capabilities. This is, indeed, my aim in proposing new dimensions and aspects of the construct in this monograph. Ostensibly a clearer understanding of what constitutes marketing capability will lead to better understanding of how to use said capabilities to generate improved performance. Perhaps it will also permit managers to avoid the creation of particular marketing incapacities or an overall state of marketing incapability.

This is one reason why a standardized, well-executed definition of marketing capabilities from the academe is so vital – it is a necessary foundation to popularizing the trial of a potentially valuable and powerful theory in practice. Without a robust, standard definition in the literature,

practitioner conceptions of marketing capabilities are bound by individual and localized interpretations. With it, however, comes the ability to identify the complex underpinnings of superior marketing and firm performance. It encourages investigation of more specific marketing-related behaviours (e.g. the 4 P's) and their direct and indirect effects on firm success.

#### 9.4 Limitations

While made as novel and exhaustive as I could manage, this research is subject to several limitations. First, the thematic coding and resultant analysis of datasets was performed by me alone and not corroborated by other coders. Future research of this nature would be strengthened via the use of independent coding to corroborate and validate findings. Second, while corpus linguistics and scientometric techniques allow the researcher to compile quantifiable evidence of the use of particular terms in the research area, they do not obviate researcher bias. I had read a great deal of marketing capabilities literature in advance of employing these methodologies.

While great efforts were made to analyze the data based on the results produced by the analytical techniques alone, including some statistical tests, there is still the possibility that my own biases crept into the interpretation of the data. Again, future efforts would be strengthened by independent corroboration of findings. Third, the datasets effectively represent samples of the literature in the field. While efforts were made to obtain a representative and large sample, neither the corpus nor the two citation datasets represents an exhaustive account of all the work in the marketing capabilities. It is possible that some mention has been made of concepts that are noted as lacking, or that some illuminating descriptions of the marketing capabilities construct

may not appeared in my data and have gone unaddressed. An independent replication of this research, therefore, would help to confirm or dispute my findings.

## 9.5 Conclusion

Marketing capabilities, for me, remains a compelling theoretical construct with the potential to solve some of the uncomfortable mysteries I encountered as a manager. For the research in this area to be robust and meaningful, however, there must be a persistent challenge to ideas and descriptions of the central construct. I hope that the results and ideas presented in this monograph have both improved the construct and, to some degree, safeguarded this and other key marketing constructs from conceptual stretching or potential mis-specification in the future.

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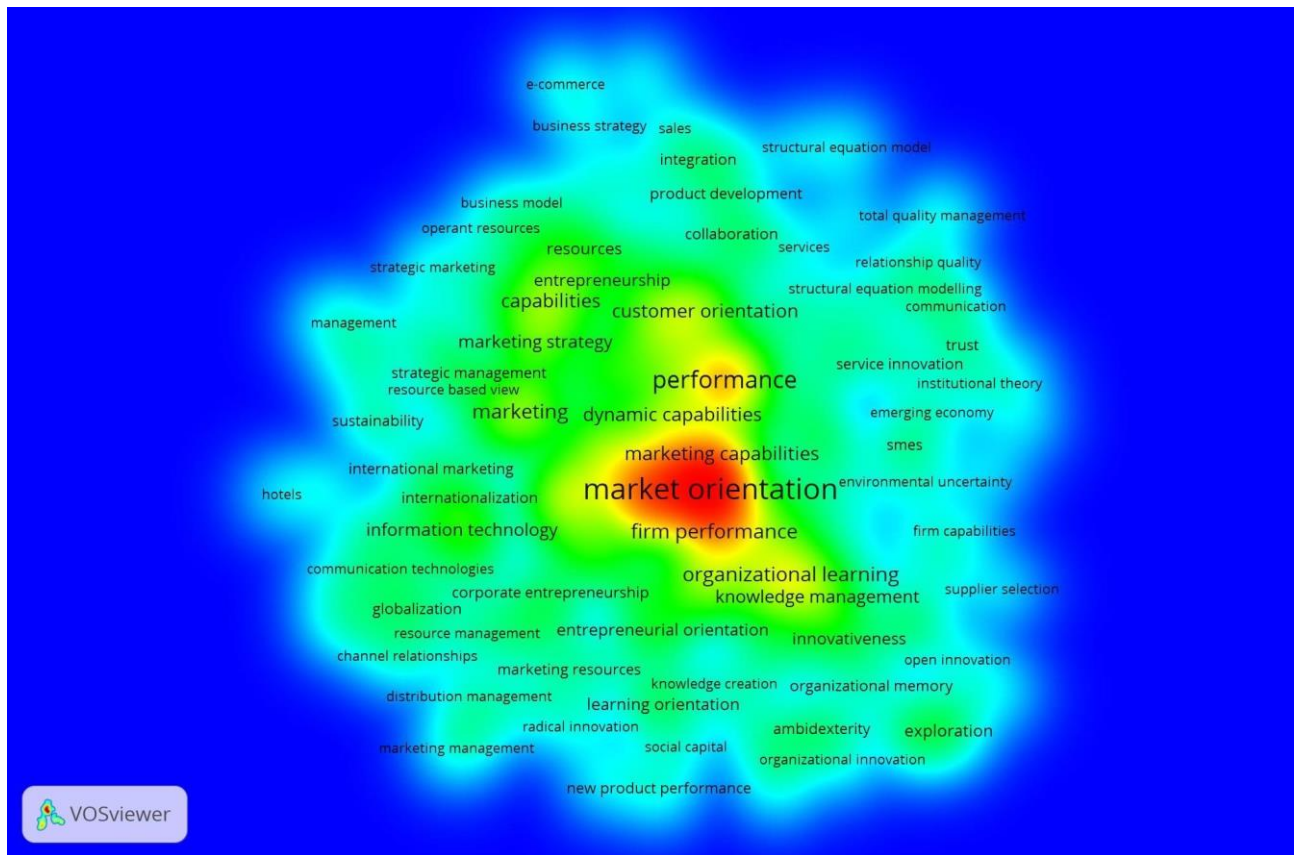
Winter, Sidney G. (2003), "Understanding Dynamic Capabilities," *Strategic Management Journal*, 24 (10), 991-95.

## APPENDICES

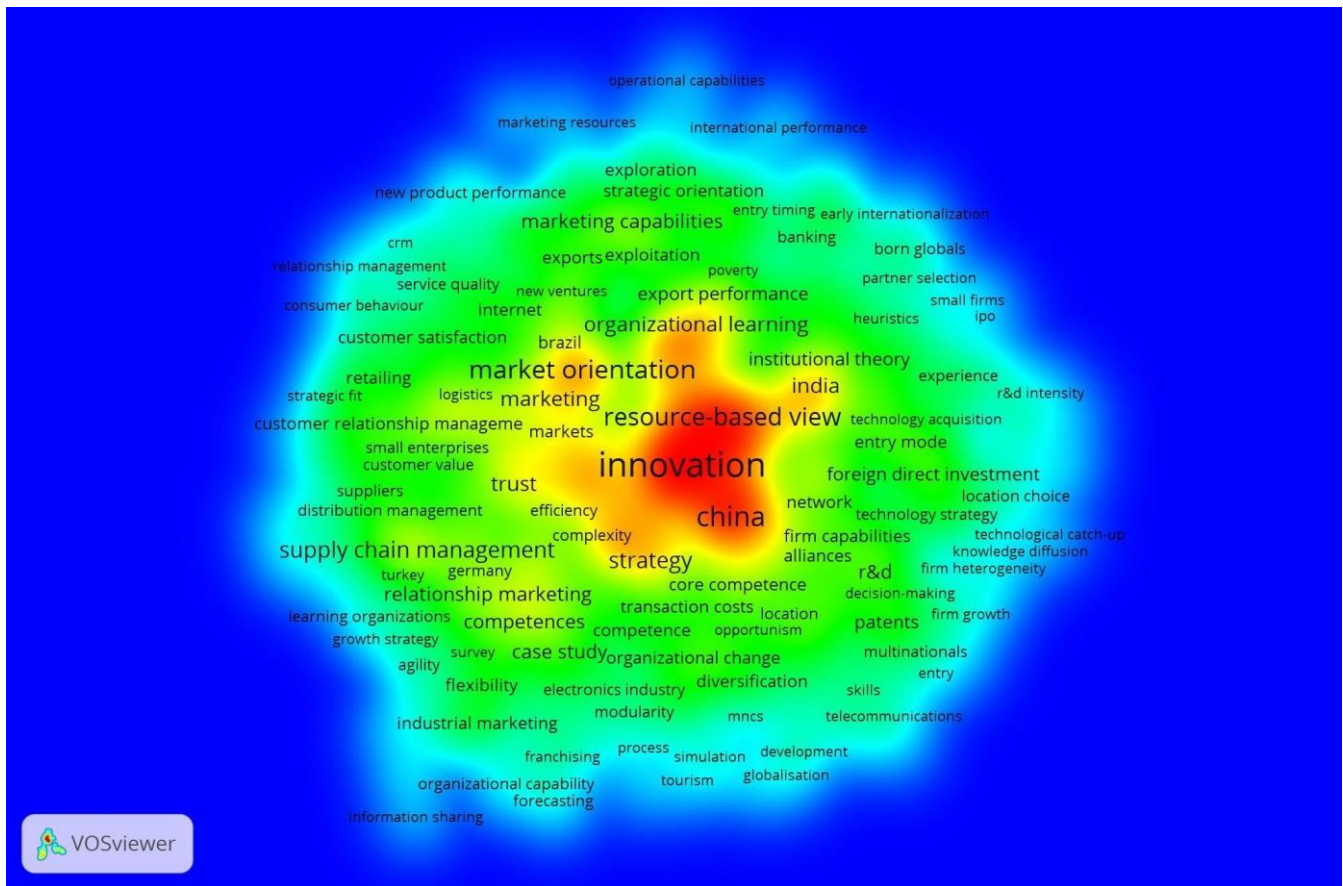
### Appendix 1 – Keywords found in MC search Data but not Day (1994) Data

internationalization	competitive advantage	knowledge management	emerging markets	supply chain management
strategy	absorptive capacity	learning	organizational learning	entrepreneurship
SMEs	India	marketing	organizational performance	trust
networks	knowledge	new product development	marketing capabilities	outsourcing
globalization	R&D	case study	product development	relationship marketing
competences	foreign direct investment	international business	resources	value creation
patents	information technology	competitive strategy		

## Appendix 2 - Keyword Heat Maps – Day (1994) and MC Search Day (1994)



## MC Search



Appendix 3 – Measures from Vorhies and Morgan (2005)

<b>Measure</b>	<b>Item</b>	<b>Type of Resource</b>
Pricing	Using pricing skills and systems to respond quickly to market changes	Skill
	Knowledge of competitors' pricing tactics	Knowledge
	Doing an effective job of pricing products/services	End
	Monitoring competitors' prices and price changes	Process
Product Development	Ability to develop new products/services	Capability/routine/process
	Developing new products/services to exploit R&D investment	Process
	Test marketing of new products/services (deleted during purification)	Process
	Successfully launching new products/services	Process
	Insuring that product/service development efforts are responsive to customer needs	Process
Channel management	Strength of relationships with distributors	Asset
	Attracting and retaining the best distributors	End, process
	Closeness in working with distributors and retailers (deleted during purification)	Process?
	Adding value to our distributors' businesses	End
	Providing high levels of service support to distributors	Capability/routine/process

Marketing communication	Developing and executing advertising programs	Capability/routine/process
	Advertising management and creative skills	Skills
	Public relations skills	Skills
	Brand image management skills and processes	Skills, processes
	Managing corporate image and reputation	Capability/routine/process
Selling	Giving salespeople the training they need to be effective	End
	Sales management planning and control systems	Process
	Selling skills of salespeople	Skills
	Sales management skills	Skills
	Providing effective sales support to the sales force	End
Market information management	Gathering information about customers and competitors	Process
	Using market research skills to develop effective marketing programs	Capability/routine/process
	Tracking customer wants and needs	Process
	Making full use of marketing research information	End
	Analyzing our market information	Process
Marketing planning	Marketing planning skills	Skill
	Ability to effectively segment and target market	End



	Marketing management skills and processes	Skill, process
	Developing creative marketing strategies (deleted during purification)	End
	Thoroughness of marketing planning processes	End
Marketing implementation	Allocating marketing resources effectively	End
	Organizing to deliver marketing programs effectively	End
	Translating marketing strategies into action	Process
	Executing marketing strategies quickly	End
	Monitoring marketing performance (deleted during purification)	Process

#### Appendix 4 – ‘bound\* rational\*’ Concordances

1	other contracting party is expected to do, (Coase, 1937, p. 391). Coase here introduces an implied bounded rationality (which, in Williamson, TCE, is made an explicit behavioral assumption) to expl
2	tations of the transaction cost explanation. In order to explain integration, this uncertainty and bounded rationality must lead to a situation where ,the character of the contract into which
3	Coase, 1937, p. 391). In other words, an explanation using trans- action costs with uncertainty and bounded rationality in addition to providing an incentive for must, establishing long-term contracts
4	do not, even with the Copyright © 2014 John Wiley & Sons, Ltd. additions of uncertainty and bounded rationality that Coase relied on in his original article, explain the process by which
5	entrepreneur to better anticipate environmental contingencies when transacting in markets. Although bounded rationality and uncertainty may limit the extent to which such contingen- cies can be
6	knowledge that may be ill-structured (Simon, 1973), and which, due to the presence of bounded rational- ity, creates sub-optimisation, poor imitability and superior rents for the ÖArm pos
7	, organizational and economic sciences, often in conjunction with discussions of and references to ,bounded rationality, (Simon, 1955). However, the typical discussion of bounded rationality focuses o
8	ssions of and references to ,bounded rationality, (Simon, 1955). However, the typical discussion of bounded rationality focuses on how little humans can process of their environment, in reaction to
9	and depreciating customer assets. Marketing Management Journal, 18(1), 39, 53. Simon, H. A. (1991). Bounded rationality and organizational learning. Organization Science, 2(1), 125, 134. Slater, S. F
10	moving away from traditional operation norms and adapting to new environments, for reasons of bounded rationality (cyert and March 1963; Nelson and Winter 1982). Second, the Uppsala Model argu
11	shing an Empirical Link,, Journal of Business Research, 55 (3), 217, 225. Shoham, Aviv (1999), ,Bounded Rationality, Planning, Stan- dardization of International Strategy, and Export Perf

12	<p>ÔÅrm,Äôs external coordination efforts and divert attention from cultivating capabilities due to bounded rationality (Simon, 1960). Collaboration with partner is a ÔÅrm,Äôs average degree of collabora</p>
13	<p>. So in this version of the model, the intertemporal optimization is consistent with a boundedly rational set of actors that are proÔÅcient in their local economic and strategic problems</p>
14	<p>goods inventory and incentives is complex. In the light of Simon,Äôs work on bounded rationality (Simon 1982) it should therefore be hardly surprising that many manufacturers ha</p>
15	<p>International Symposium on Logistics, Morioka, Japan, 12th,Äi15th July 2000. Simon, H.A., Models of Bounded Rationality, 1982 (MIT Press: Cambridge, Mass). Slack, N., The flexibility of manufacturing</p>
16	<p>communicability can be demonstrated to exist in all decision situations characterized by varied and boundedly rational decision-makers (Eliasson 1990a), as is the case in the theory of the</p>
17	<p>ile research on managerial cognition is important because it helps strategy researchers incorporate</p>
18	<p>tive heterogeneity would greatly expand our understanding of strategy and ÔÅrm performance. We model bounded rationality, cognition (belief formation), competition (economic restraints), and industry s</p>
19	<p>straints), and industry structure (competitive heterogeneity). We ÔÅnd that competitive pressure and bounded rationality induce agents (ÔÅrms or managers) to focus their attention on nearby competitors.</p>
20	<p>that emerges is consistent with those predicted by economic theory, even under conditions of bounded rationality. Johnson, James P., M. Audrey Korsgaard and Harry J. Sapienza Perceived Fairne</p>
21	<p>roaches. The ÔÅrst follows evolution- ary theorists,Äô portrayals of decision-making pro- cesses under bounded rationality. The second approach,Äireal option reasoning,Äifosters ÔÇexibil- ity by investing in</p>
22	<p>ween stages (Boerner and Macher, 2001). Most studies, drawing on Williamson,Äôs model, which assumes bounded rationality and opportunism, analyse as main attributes asset speciÔÅcity and uncertainty. Th</p>
23	<p>ÔÅrm,Äôs administrative structure consists of human beings, we take as a given their bounded rationality, and can fully expect that their history, their expectations, and the probabilism</p>

24	<p>Economics 69(1): 99,Äì118. Simon HA. 1957. Models of Man. Wiley: New York. Simon HA. 1982. Models of Bounded Rationality. MIT Press: Cambridge, MA. Singh JV. 1986. Performance, slack, and risk taking</p>
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Appendix 5 – Survey-type Measures from the Marketing Domain in the Day (1994) Bibliometric Data Set

Number	Author	Year	Journal Title	Title
1	Bove LL	2015	Journal of Retailing	Service-Dominant Orientation: Measurement and Impact on Performance Outcomes
2	Gudergan SP	2015	Journal of The Academy of Marketing Science	The impact of dynamic capabilities on operational marketing and technological capabilities: investigating the role of environmental turbulence
3	Knight G	2015	Journal of The Academy of Marketing Science	The role of the market sub-system and the socio-technical sub-system in innovation and firm performance: a dynamic capabilities approach
4	Luxton S	2015	Journal of Advertising	Integrated Marketing Communication Capability and Brand Performance
5	Abrantes JL	2015	International Marketing Review	Measuring innovation capability in exporting firms: the INNOVSCALE
6	Sousa CMP	2015	International Marketing Review	Leveraging marketing capabilities into competitive advantage and export performance
7	Krush MT	2015	Journal of The Academy of Marketing Science	Dispersion of marketing capabilities: impact on marketing's influence and business unit outcomes
8	Agnihotri R	2014	Journal of Business Research	Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM
9	Chen J	2014	Journal of Business Research	Firm capability and performance in China: The moderating role of guanxi and institutional forces in domestic and foreign contexts
10	Cui AP	2014	Journal of Business Research	What makes a brand manager effective?
11	Li JJ	2014	Journal of The Academy of Marketing Science	The evolving role of managerial ties and firm capabilities in an emerging economy: evidence from China

12	Hunter GK	2014	Industrial Marketing Management	Customer business development: identifying and responding to buyer-implied information preferences
13	Henneberg SC	2014	Industrial Marketing Management	Conceptualizing and validating organizational networking as a second-order formative construct
14	Heirati N	2014	Industrial Marketing Management	Achieving new product success via the synchronization of exploration and exploitation across multiple levels and functional areas
15	Chen AX	2014	Journal of International Marketing	Strategic Orientation, Foreign Parent Control, and Differentiation Capability Building of International Joint Ventures in an Emerging Market
16	Chen JS	2014	Journal of Business & Industrial Marketing	Market and technology orientations for service delivery innovation: the link of innovative competence
17	Chang E	2014	European Journal of Marketing	Internal market orientation, market capabilities and learning orientation
18	Ngo LV	2013	Journal of Business Research	Innovation and business success: The mediating role of customer participation
19	Christodoulides P	2013	Journal of International Marketing	Antecedents and Consequences of an Eco-Friendly Export Marketing Strategy: The Moderating Role of Foreign Public Concern and Competitive Intensity
20	Katsikea E	2013	Journal of International Marketing	The Export Information System: An Empirical Investigation of Its Antecedents and Performance Outcomes
21	Brettel M	2013	Journal of Business Research	Competition-motivated corporate social responsibility
22	Liu H	2013	Marketing Letters	Profiting from product innovation: The impact of legal, marketing, and technological capabilities in different environmental conditions

23	Bonner JM	2013	Industrial Marketing Management	Projective customer competence: Projecting future customer needs that drive innovation performance
24	Barroso C	2013	Journal of Business Research	The use of organizational capabilities to increase customer value
25	Lim LKS	2013	Journal of Business Research	Mapping competitive prediction capability: Construct conceptualization and performance payoffs
26	Hansen JM	2013	Journal of The Academy of Marketing Science	Competence resource specialization, causal ambiguity, and the creation and decay of competitiveness: the role of marketing strategy in new product performance and shareholder value
27	Hughes M	2013	European Journal of Marketing	The relative impact of culture, strategic orientation and capability on new service development performance
28	Agnihotri R	2013	Industrial Marketing Management	Enhancing organizational sensemaking: An examination of the interactive effects of sales capabilities and marketing dashboards
29	Arnold TJ	2013	Industrial Marketing Management	Effects of collaborative communication on the development of market-relating capabilities and relational performance metrics in industrial markets
30	Han S	2013	Industrial Marketing Management	Building capabilities via suppliers' effective management of relationships
31	Jimenez-Castillo D	2013	International Journal of Market Research	Integrated market-related internal communication Development of the construct
32	Puumalainen K	2013	Journal of Business & Industrial Marketing	How customer knowledge dissemination links to KAM
33	Chen CJ	2013	Journal of Business & Industrial Marketing	Branding vs contract manufacturing: capability, strategy, and performance

34	Dong MC	2013	Journal of International Marketing	Do Business and Political Ties Differ in Cultivating Marketing Channels for Foreign and Local Firms in China?
35	Auh S	2013	Journal of The Academy of Marketing Science	Customer knowledge creation capability and performance in sales teams
36	Katsikeas CS	2012	Journal of The Academy of Marketing Science	Export marketing strategy implementation, export marketing capabilities, and export venture performance
37	Ngo LV	2012	Industrial Marketing Management	Creating superior customer value for B2B firms through supplier firm capabilities
38	Barnes BR	2012	Journal of International Marketing	The Effects of Early Internationalization on Performance Outcomes in Young International Ventures: The Mediating Role of Marketing Capabilities
39	Grover V	2012	Journal of Business Research	Investigating firm's customer agility and firm performance: The importance of aligning sense and respond capabilities
40	Katsikea E	2012	Industrial Marketing Management	Strategic orientations, marketing capabilities and firm performance: An empirical investigation in the context of frontline managers in service organizations
41	Chen YC	2012	Industrial Marketing Management	Effects of interaction and entrepreneurial orientation on organizational performance: Insights into market driven and market driving
42	Griese I	2012	Journal of Business & Industrial Marketing	Antecedents of knowledge generation competence and its impact on innovativeness
43	Katsikeas E	2012	European Journal of Marketing	Antecedents and performance of electronic business adoption in the hotel industry
44	Gao GY	2011	Journal of The Academy of Marketing Science	Market orientation and performance of export ventures: the process through marketing capabilities and competitive advantages



45	Blocker CP	2011	Journal of The Academy of Marketing Science	Proactive customer orientation and its role for creating customer value in global markets
46	Blocker CP	2011	Industrial Marketing Management	Customer value anticipation, customer satisfaction and loyalty: An empirical examination
47	Bush VD	2011	Journal of The Academy of Marketing Science	Improving customer-focused marketing capabilities and firm financial performance via marketing exploration and exploitation
48	Chen XY	2011	Industrial Marketing Management	Do different guanxi types affect capability building differently? A contingency view
49	Leonidou LC	2011	Journal of International Marketing	National Export-Promotion Programs as Drivers of Organizational Resources and Capabilities: Effects on Strategy, Competitive Advantage, and Performance
50	Kaleka A	2011	Journal of International Marketing	When Exporting Manufacturers Compete on the Basis of Service: Resources and Marketing Capabilities Driving Service Advantage and Performance
51	Ashnai B	2011	Industrial Marketing Management	Understanding the role of marketing-purchasing collaboration in industrial markets: The case of Russia
52	Lages C	2011	Industrial Marketing Management	Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: A resource-based approach
53	Jimenez-Jimenez D	2011	Industrial Marketing Management	Product competence exploitation and exploration strategies: The impact on new product performance through quality and innovativeness
54	Arnold TJ	2011	Journal of The Academy of Marketing Science	The effects of customer acquisition and retention orientations on a firm's radical and incremental innovation performance

55	Hortinha P	2011	Journal of International Marketing	The Trade-Off Between Customer and Technology Orientations: Impact on Innovation Capabilities and Export Performance
56	Henneberg SC	2011	Industrial Marketing Management	The impact of market orientation on the development of relational capabilities and performance outcomes: The case of Russian industrial firms
57	Hogan SJ	2011	Industrial Marketing Management	Reconceptualizing professional service firm innovation capability: Scale development
58	Camison C	2011	Industrial Marketing Management	Non-technical innovation: Organizational memory and learning capabilities as antecedent factors with effects on sustained competitive advantage
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61	Bush VD	2011	Journal of Business Research	Leveraging firm-level marketing capabilities with marketing employee development
62	Wang QO	2011	Industrial Marketing Management	Making sense of a market information system for superior performance: The roles of organizational responsiveness and innovation strategy
63	Katsikeas CS	2011	European Journal of Marketing	An examination of branding advantage in export ventures
64	O'Cass A	2011	Industrial Marketing Management	Achieving superior innovation-based performance outcomes in SMEs through innovation resource-capability complementarity
65	Ngo LV	2011	Journal of Services Marketing	Achieving customer satisfaction in services firms via branding capability and customer empowerment

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70	Hughes M	2010	Journal of International Marketing	Realizing Product-Market Advantage in High-Technology International New Ventures: The Mediating Role of Ambidextrous Innovation
71	O'Cass A	2010	Industrial Marketing Management	The effects of perceived industry competitive intensity and marketing-related capabilities: Drivers of superior brand performance
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77	Evanschitzky H	2010	Industrial Marketing Management	Strategic marketing and business performance A study in three European 'engineering countries'

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79	Neill S	2010	Marketing Letters	Decomposing the effects of organizational memory on marketing implementation
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82	Ngo LV	2009	Industrial Marketing Management	Creating value offerings via operant resource-based capabilities
83	Morgan NA	2009	International Journal of Research In Marketing	Linking marketing capabilities with profit growth
84	Reimann M	2009	Journal of International Marketing	When Does International Marketing Standardization Matter to Firm Performance?
85	Arnett DB	2009	Industrial Marketing Management	Explaining alliance success: Competences, resources, relational factors, and resource-advantage theory
86	Calantone RJ	2009	Journal of The Academy of Marketing Science	Strategic fit to resources versus NPD execution proficiencies: what are their roles in determining success?
87	Hooley G	2009	Industrial Marketing Management	The strategic role of relational capabilities in the business-to-business service profit chain
88	Covin JG	2009	Journal of Business Research	Market responsiveness, top management risk taking, and the role of strategic learning as determinants of market pioneering
89	Camison C	2009	International Marketing Review	Capabilities and propensity for cooperative internationalization
90	Kutwaroo G	2009	Journal of Business-To-Business Marketing	Alliance-Based New Product Development Success: The Role of Formalization in Exploration and Exploitation Contexts
91	Kumar V	2008	Journal of Marketing	Interaction orientation and firm performance

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95	Jarratt D	2008	European Journal of Marketing	Testing a theoretically constructed relationship management capability
96	Ling-Yee L	2008	Industrial Marketing Management	An empirical study of manufacturing flexibility of exporting firms in China: How do strategic and organizational contexts matter?
97	Ling-Yee L	2008	Journal of Business & Industrial Marketing	The effects of firm resources on trade show performance: how do trade show marketing processes matter?
98	Calantone RJ	2007	Journal of International Marketing	An examination of exploration and exploitation capabilities: Implications for product innovation and market performance
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101	McKee D	2007	Industrial Marketing Management	Developing the organization's sensemaking capability: Precursor to an adaptive strategic marketing response

102	Hult GTM	2007	Journal of The Academy of Marketing Science	On the importance of matching strategic behavior and target market selection to business strategy in high-tech markets
103	Cavusgil ST	2006	Industrial Marketing Management	The impact of information technology on supply chain capabilities and firm performance: A resource-based view
104	Cavusgil ST	2006	Journal of The Academy of Marketing Science	Alliance orientation: Conceptualization, measurement, and impact on market performance
105	Leal A	2006	Industrial Marketing Management	Information technology as a determinant of organizational learning and technological distinctive competencies
106	Cavusgil ST	2006	Journal of Business Research	Organizational learning, commitment, and joint value creation in interfirm relationships
107	Berghman L	2006	Industrial Marketing Management	Building competences for new customer value creation: An exploratory study
108	Neill S	2006	Journal of Business Research	The effect of strategic complexity on marketing strategy and organizational performance
109	Ritter T	2006	European Journal of Marketing	Matching high-tech and high-touch in supplier-customer relationships
110	Tse DK	2005	Journal of Marketing	The effects of strategic orientations on technology- and market-based breakthrough innovations
111	Cadogan JW	2005	Journal of Business Research	The performance impact of marketing resources
112	Liu SS	2005	Journal of The Academy of Marketing Science	Globalization, marketing resources, and performance: Evidence from China
113	Greenley GE	2005	Journal of Business Research	Market orientation in a multiple stakeholder orientation context: implications for marketing capabilities and assets
114	Johnson JL	2005	Journal of The Academy of Marketing Science	Organizational capabilities in e-commerce: An empirical investigation of e-brokerage service providers

115	Barker T	2005	European Journal of Marketing	Re-examining field sales unit performance Insights from the resource-based view and dynamic capabilities perspective
116	Kaleka A	2004	Journal of Marketing	Antecedents of export venture performance: A theoretical model and empirical assessment
117	Gemunden HG	2004	Journal of Business Research	The impact of a company's business strategy on its technological competence, network competence and innovation success
118	Kyriakopoulos K	2004	International Journal of Research in Marketing	Tradeoffs in marketing exploitation and exploration strategies: The overlooked role of market orientation
119	Ekeledo I	2004	International Marketing Review	International market entry mode strategies of manufacturing firms and service firms - A resource-based perspective
120	O'Cass A	2004	Industrial Marketing Management	Exploring the characteristics of the market-driven firms and antecedents to sustained competitive advantage
121	Hewett K	2004	Journal of The Academy of Marketing Science	Customer response capability in a sense-and- respond era: The role of customer knowledge process
122	Dickson PR	2004	Journal of The Academy of Marketing Science	The paradox of a marketing planning capability
123	Moller K	2004	Journal of Business Research	How does adaptability drive firm innovativeness?
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125	Gemunden HG	2003	Journal of Business Research	Network competence: Its impact on innovation success and its antecedents
126	Morgan NA	2003	Journal of Marketing	A configuration theory assessment of marketing organization fit with business strategy and its relationship with marketing performance
127	Fang E	2003	Journal of International Marketing	The effect of export marketing capabilities on export performance: An investigation of Chinese exporters

128	Johnson JL	2003	Journal of Business Research	The development of interfirm partnering competence: Platforms for learning, learning activities, and consequences of learning
129	Hooley G	2003	Industrial Marketing Management	Organizational resources enabling service responsiveness: Evidence from Greece
130	Di Benedetto CA	2003	International Marketing Review	The relationship between strategic type and firm capabilities in Chinese firms
131	Lilien GL	2002	Journal of Marketing	Technological opportunism and radical technology adoption: An application to e-business
132	Celuch KG	2002	Industrial Marketing Management	The effects of perceived market and learning orientation on assessed organizational capabilities
133	Lynch DF	2002	Journal of International Marketing	Public policy and global supply chain capabilities and performance: A resource-based view
134	Albaum G	2002	International Marketing Review	Strategic firm type and export performance
135	Li L	2002	Industrial Marketing Management	Dynamics of export channel relationships in high-velocity environments
136	Grewal R	2001	Journal of Marketing	Building organizational capabilities for managing economic crisis: The role of market orientation and strategic flexibility
137	Comer JM	2001	Journal of Marketing	An investigation into the antecedents of organizational participation in business-to-business electronic markets
138	Naidu GM	2001	Journal of International Marketing	The influence of Internet-marketing integration on marketing competencies and export performance
139	Ferrell OC	2000	Journal of The Academy of Marketing Science	The effect of market orientation on product innovation
140	Narver JC	2000	Journal of The Academy of Marketing Science	Intelligence generation and superior customer value



141	Argouslidis P	2000	Industrial Marketing Management	Industrial export pricing practices in the United Kingdom
142	Greenley GE	1997	Journal of Business Research	An investigation of modulator effects on alignment skill
143	O'Cass, A,Ngo, LV,Siahtiri, V		Journal of Business & Industrial Marketing	Marketing resource-capability complementarity and firm performance in B2B firms
144	Zhang, J,Jiang, YX,Shabbir, R,Du, MF		Industrial Marketing Management	Building industrial brand equity by leveraging firm capabilities and co-creating value with customers
145	Bianchi, C,Mathews, S		Journal of Business Research	Internet marketing and export market growth in Chile
146	Ziggers, GW,Henseler, J		Industrial Marketing Management	The reinforcing effect of a firm's customer orientation and supply-base orientation on performance
147	Deutscher, F,Zapkau, FB,Schwens, C,Baum, M,Kabst, R		Journal of Business Research	Strategic orientations and performance: A configurational perspective
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